# RURAL LIFE AT THE CROSSROADS

CAMPBELL

FEB 17 1959

# RURAL LIFE AT THE CROSSROADS

BY

MACY CAMPBELL

HEAD OF THE DEPARTMENT OF RURAL EDUCATION
IOWA STATE TEACHERS COLLEGE

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THIS BOOK IS AFFECTIONATELY DEDICATED TO PRESIDENT HOMER H. SEERLEY OF THE IOWA STATE TEACHERS COLLEGE, WHO HAS BEEN THE WISE COUNSELOR AND INSPIRING FRIEND OF THOUSANDS OF TEACHERS IN RURAL COMMUNITIES, AND WHOSE SINCERE SYMPATHY AND VIGOROUS SUPPORT HAVE MEANT MUCH TO THE CAUSE OF BETTER RURAL EDUCATION IN THE UNITED STATES

UNITED THEOLOGICAL SEMINARY
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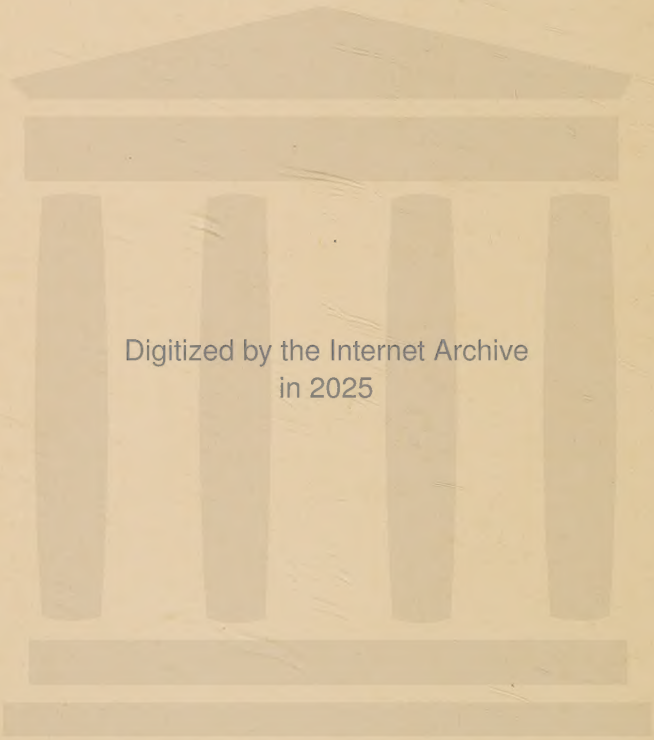
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# PREFACE

Abraham Lincoln, in discussing the conditions of his time, said, "If we could first know where we are and whither we are tending we would better know what to do and how to do it."

This book is the result of fifteen years of careful research into "where we are and whither we are tending" in rural life and in rural education in America.

As a result of this research and of first-hand investigations into the economic, social, and educational conditions in rural communities in many parts of the United States, the author has reached some definite conclusions which bear on the question of "what to do and how to do it." The result of these investigations and the conclusions reached are set forth in the chapters that follow.

The author wishes to acknowledge his indebtedness for very helpful services rendered in the preparation of this work by Dr. Anna D. Cordts.

MACY CAMPBELL

CEDAR FALLS, IOWA

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# FOREWORD

Iowa as a commonwealth has had many definite reasons to be greatly interested in the rural public schools as well as in the schools of the cities and towns. This interest comes from the fact that in Iowa the basic occupation of the people is agriculture conducted on the farmstead system, in which the population is scattered and the farm home is the center of the business, social, and educational life of the family. The farmstead system requires good management, enterprise, idealism, and common sense, as every farm is a unit by itself, and its development, progress, and success depend upon its owner and his family. In Iowa this system has developed coöperation, sympathy, and joint ownership, with a very unusual human situation for education and training which is generally unrealized and unappreciated.

This situation has created a public-school problem which is specific in nature, yet universal in outcome, so that the determination of the issues involved, the ends to be sought, and the methods to be employed for an ideally practical solution are of fundamental importance to civilization. Iowa leaders have accepted the challenge of this problem with sincerity and enthusiasm. They have not only shown special ability and insight in studying diligently the underlying conditions, but they have conducted their work in the spirit of an evangel and have organized the common people in a combination of resources and interests which has resulted in unparalleled efficiency and economy.

Having had a very close relation to the endeavors for popular education conducted by the people of Iowa through half a century, having observed the energy, enterprise, service,

and income given cheerfully and unstintedly by the author of this study of rural life and rural education, and having had the opportunity to investigate the text of this book as it was prepared for publication, I know that these chapters cover effectively the most difficult educational and social problems of America. The developing and inspiring of the coming generation of farm owners, farm operators, farm tenants, farm laborers, and farm children are the ends sought by this vital, practical, thought-producing contribution to rural sociology, economics, and education. As the head of the department of rural education in Iowa State Teachers College for eleven busy years, as a worker in rural public schools all his life, as a student of rural conditions in all parts of the United States, as an authority on rural problems because of the thoughtful and persistent attention he has given to the conditions underlying the problems, no one has a better right to be heard with confidence than this man of the common people, this man of sincere devotion to the service of humanity and of genuine accomplishment in the field of education in which he has won conspicuous recognition at home and abroad.

HOMER H. SEERLEY

# RURAL LIFE AT THE CROSSROADS

## CHAPTER I

### IS THERE TO BE A FARM PEASANTRY IN AMERICA?

Every thinking person knows that an intelligent, productive people on the land is very much to be desired in America; that a prosperous people on the land strengthens the entire fabric of national life; that prosperity on the land transmits prosperity to all the people; and that unless the farm people of America remain intelligent, productive, and prosperous the nation cannot permanently prosper. Ultimately we all go up with the farmer or we all go down with him.

America was extremely fortunate that in the beginning her virgin farm lands were settled by an unusually competent people. In the early years of our history these farm people gave an excellent account of themselves. Now a change is coming on. A reversal of conditions is under way. So marked is this reversal that the thoughtful are beginning to ask: Is there to be a farm peasantry in America? Are American farmers to go the way that the farmers of the Old World have gone?

With rural life bled white by increasing landlordism, increasing farm mortgages, excess taxes on farm property, and the depreciated buying power of the farm, what will the outcome be? With the industry most vital to the support of our population decaying, how are our cities to fare in the future? This outlook is not a pleasant one. It now challenges every thoughtful American.

**Farm tenantry.** The United States census records[1] show that tenantry is constantly increasing among American farmers. In our early history fertile virgin farm lands were so plentiful that nearly every family which tilled the soil could secure a farm of its own by settling upon it or by purchasing it for a few dollars per acre. With the exhaustion of public lands suitable for farming, tenantry began to increase. It has steadily continued to increase. By 1880 the number of farmers who did not own the land they tilled had risen to 26 per cent of the total number; by 1900, to 35 per cent; by 1920, to 38 per cent. In nine leading agricultural states the number of landless farmers has increased to between 40 and 50 per cent of the total number of farmers in the state. In two agricultural states more than half the farmers are now landless. The increasing loss of the land by those who till it is one of the signs of decay in American rural life today.

**Farm mortgages.** A second sign of decay in American rural life is found in the constantly increasing mortgaged indebtedness against the farm lands. The census records[2] show that by 1890 approximately 28 per cent of the owner-operated farms in the United States were encumbered by mortgages. By 1920 the number so burdened had risen to approximately 40 per cent of the owner-operated farms.

After a farmer mortgages his farm he no longer owns the farm; he owns only a part interest, or equity, in it. The holder of the mortgage owns the other part interest, or equity, in the farm. The holders of the mortgages against American farms now live largely in the cities. The people of the towns and cities are acquiring a constantly increasing equity in these mortgaged farms. The equity owned by the farmers who till the mortgaged farms is constantly decreasing. In 1910 farmer operators owned 72.7 per cent of the total value of the mortgaged farms, in 1920 they owned 70.9 per cent, and in 1925 it was estimated that their equity had shrunk to approximately

[1] From the United States census report of 1920. [2] Ibid.

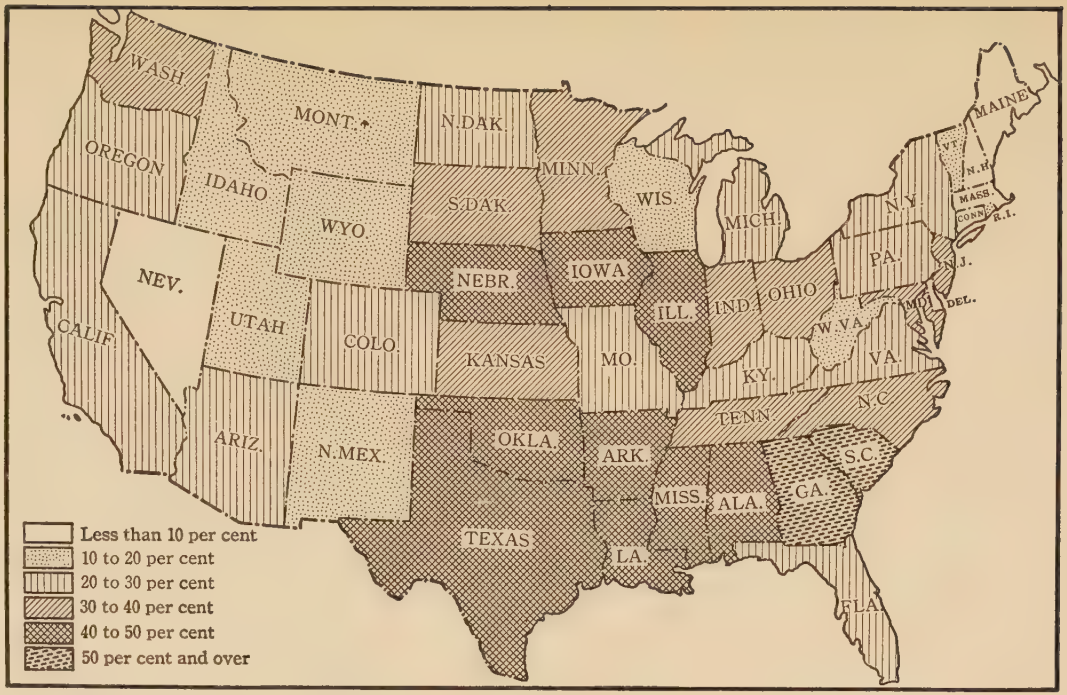



TABLE I. PERCENTAGE OF IMPROVED FARM LAND OPERATED BY TENANTS, BY STATES, 1920

60 per cent. The rapid decrease in the farmers' equity as estimated for 1925 is the result of two causes: when the value of farms increased rapidly (1910–1920) the indebtedness against them increased rapidly; later, when the value of the farms shrank[1] rapidly (1920–1925), the indebtedness against them did not shrink in the same degree. Hence the farmers lost.

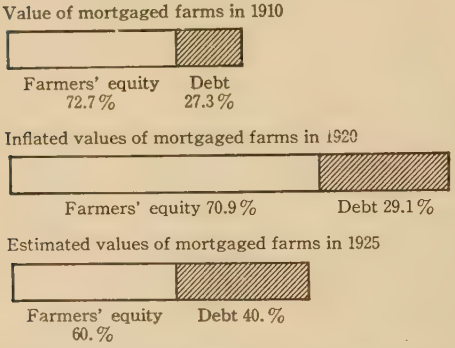



TABLE II. MORTGAGED FARMS IN THE UNITED STATES IN 1910, 1920, AND 1925

From the angle of the practical problem which farmers face in paying the interest on the mortgages each year, we find that in the ten-year period, from 1910 to 1920, the load of annual interest on farm mortgages approximately doubled. To make the situation worse, the net earning power of the farm has decreased during the very period when the interest to be paid on the farm mortgages has doubled.

From the angle of actual loss on the investment we find that the average rate of interest paid on farm mortgages is 6.1 per cent (1920), whereas the earnings to the farmer on his investments in land are about 3 per cent. The result at present is a dead loss of staggering proportions to farm communities, which now carry a mortgage load of nearly eight billions of dollars.

The increasing extent to which those who till the land are losing their ownership in it through the increasing burden of mortgage indebtedness is another sign of the decay of rural life in America.

[1] The United States Department of Agriculture in the *Monthly Supplement, Crops and Markets*, for July, 1925, estimates that the farmers' combined capital decreased from $47,000,000,000 in 1919 to $32,000,000,000 in 1924.

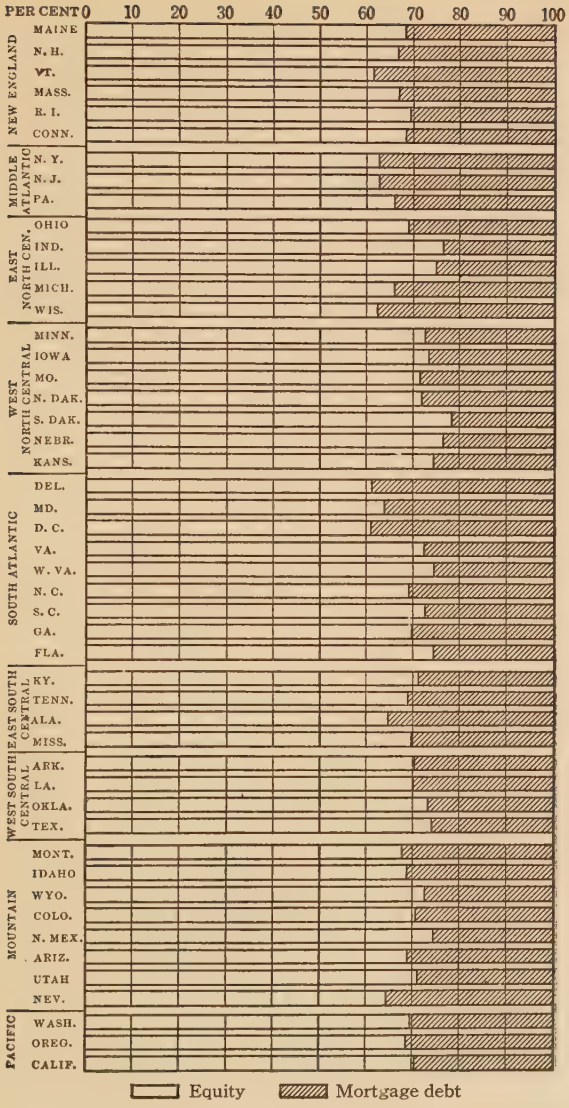



TABLE III. RATIO OF MORTGAGE DEBT TO VALUE OF MORTGAGED FARMS, BY STATES, 1920

From the United States census report of 1920

**Excess taxation on farm property.** Still another sign of the decay of rural life today is found in the excessive burden of taxation which rests on farm property. The farmer pays more than his share of state and county taxes and is unable to secure an equitable readjustment. This inequality grows out of the fact that the general property tax falls most heavily where visible taxable valuation is large and income is small, and falls least heavily where visible taxable valuation is small and income is large. The farmer has a high visible valuation and a small income; consequently the general property tax falls very heavily on him. Many of the occupations found in towns and cities have a low visible taxable valuation in proportion to income; hence the general property tax falls more lightly on them. The ratio of taxable valuation to income found in other enterprises, which congregate in towns and cities, ranges between these two extremes. In proportion to income, the farmer carries the heaviest tax load of all. The National Conference Board reported (1922) that farmers were paying 16.6 per cent of their income as taxes and other economic groups were paying only 11.9 per cent of their income as taxes. Farmers were paying out of their incomes an excess of taxes over other industrial groups amounting to 4.7 per cent of their income. This is another factor in the decay of rural life.

**The depreciated buying power of the farm.** The farmer's dollar today is a little dollar. In the exchange of products between unorganized farmers and organized industrial groups, the farmer must take the short end of the trade. He must sell at the other man's price and buy at the other man's price. This depreciates the buying power of the farm.

Take the index of farm prices and industrial prices in 1913 as the basis of comparison. Call each 100. Under the stimulus of war demand industrial prices rose to a war peak of 243. Farm prices did not mount so high, reaching a war peak of only 216. Then demand fell off after the war. Deflation began. The more highly organized capital and labor of industrial groups

was more successful in resisting the tendency toward a lower price for its product, and in 1922 it held the index number up to 155. Unorganized capital and labor on the farm was less

WHY NOT TRY SOME OF THE HOME REMEDIES?
Ding, in the *Des Moines Register*

successful in resisting the downward tendency of the prices of its products. By 1922 the index of farm prices had fallen to 125. When farm products at an index of 125 are exchanged for industrial products at an index of 155, the farm products are

being exchanged at a loss of approximately 20 per cent. This means that when the farmer takes his product to town and sells it at the other man's price and takes home with him supplies bought at the other man's price, his dollar shrinks in the exchange. In the period cited above the farmer's dollar shrank to eighty cents. The buying power of the farm had shrunk 20 per cent. The farmer had slipped downhill.

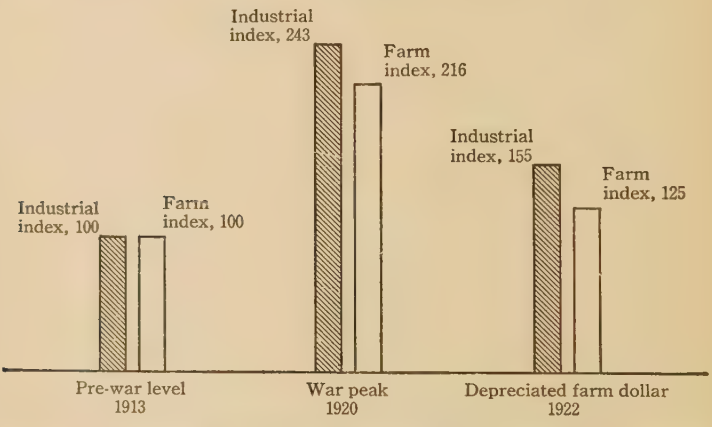



TABLE IV. COMPARATIVE PRICES OF FARM AND INDUSTRIAL PRODUCTS FROM 1913 TO 1922

The depreciation in the buying power of the farm is the most ominous sign of the decay of American rural life today. It is the root of the trouble.

**The plundering of the farm communities.** Landlordism, farm mortgages, excessive taxes on farm property, and the depreciated buying power of the farm are now robbing those who labor on the land of more than half the new wealth they produce from the soil each year. When a farm which has been operated by its owner passes into the hands of a tenant, approximately half the production of the farm is taken out of the rural community as rent. This is usually a dead loss to the rural community. Of the farms of America 38 per cent are now

in the hands of tenants; hence approximately 19 per cent of the total product of the American farms is lost to the support of life on the land through the payment of rent to landlords.

When a farm is mortgaged to one third of its value, more than one third of the net profit of the farm is taken out of the rural community each year to pay the interest on the mortgage. It is estimated that at the present time 15 per cent of the total product of American farms is lost to the support of life on the land through the payment of the annual interest on farm mortgages.

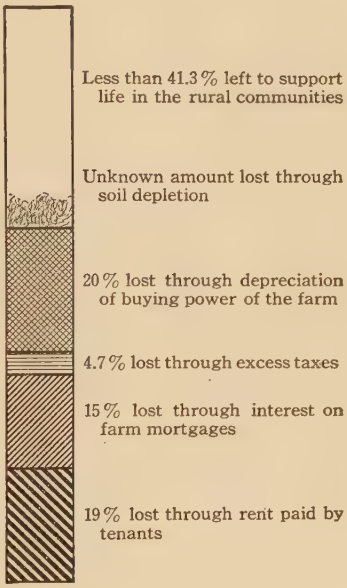

Less than 41.3% left to support life in the rural communities
Unknown amount lost through soil depletion
20% lost through depreciation of buying power of the farm
4.7% lost through excess taxes
15% lost through interest on farm mortgages
19% lost through rent paid by tenants

TABLE V. TOTAL NEW WEALTH PRODUCED FROM THE LAND EACH YEAR IN THE UNITED STATES

With 19 per cent of the total production of American farms lost to the support of life in the rural community through farm tenantry, 15 per cent lost through farm mortgages, 4.7 per cent lost through excess taxes on farm property, and 20 per cent lost through the depreciated farm dollar, there remains but 41.3 per cent to support life in the rural communities. In other words, 58.7 per cent of the new wealth produced by the labor on the land is lost to the rural communities. Truly, the fruits of the farm are now eaten by strangers!

How long can this continue? With a steadily increasing farm tenantry, a steadily increasing mortgage indebtedness on farm property, and an unchecked depreciation of the buying power of the farm, what will the outcome be?

How long can a farm continue to support an absentee land-

lord, a tenant, a mortgage, excessive taxes, and do it all with a depreciated farm dollar?

**The beginning of the end.** The foregoing question is now being answered by millions of the brightest and best young people of the farming communities of America. They are answering it by deserting the farms and going to the more highly organized life of the towns and cities, where larger opportunities await them.

What does this leave on the farms of America? Recent investigations made in Indiana[1] at the request of the state legislature show that in certain agricultural communities of the state so large a proportion of the most capable people have left the farms that more than one fourth of the children of those remaining were found to be feeble-minded. It is common observation throughout rural America that for many years now the brightest and the best-educated young people have been leaving the farms and going to the cities. When we constantly pick the big potatoes from the barrel, finally we shall have nothing left but the small ones. Pintner[2] reports that in a recent investigation of intelligence among children of rural and city schools in a region where the shifting of the most competent from the country to the city has gone on a long time, the city children showed an average intelligence quotient of 100.5, whereas the rural children investigated showed an average intelligence quotient of 77. Pintner quotes in conclusion: "For years there has been a steady migration of the country's best to the cities. Lincolns come from the rural districts, but they never go back."

What is the significance in the drift of the most capable young people away from the farm? What will be the ultimate result if a large proportion of the ablest young people leave the

[1] Report of the Sixth Conference on Educational Measurements, Indiana University.

[2] Rudolf Pintner, Intelligence Testing. Henry Holt and Company, New York. Reprinted by permission.

farms, never to go back? What type of people will be left on the farms if the most capable continue to go? Is this not the direct road to farm peasantry?

**Turning the tide.** If the American farmer is not to go the way that the farmers of the Old World have gone, economic opportunity must be restored on the land. This will not be done until the buying power of the farm is raised to a point where those who labor upon the land may hope to buy gradually the land they till, to pay off the mortgage indebtedness against it, to restore what has been lost by depletion, and to maintain on the farm a standard of living and of opportunity equal to that found in American cities.

AN ABANDONED FARMHOUSE
The parents have followed the children to the city

But how is the buying power of the farm to be increased? Experience has shown that the most effective way to increase the buying power of the farm is to adopt the same means which has increased the buying power of other industries; namely, group marketing of the commodities produced. So long as labor and capital employed in other industries are highly organized for group marketing of their products, and farmers are not, the farmer must continue to sell at the other man's price and to buy at the other man's price. This one-sided bargaining will continue to depreciate the buying power of the farm. But when farmers are effectively organized for group marketing of farm commodities, they will be able to bring their bargaining power up to a par with that of other industrial groups with whom they exchange products.

**Group marketing the key to the situation.** Group marketing of farm commodities — each commodity being organized for marketing by itself — is the best means at hand of averting the threatened economic deterioration of rural life. It strikes directly at the root of the matter. When well done, group marketing secures to competent, productive farmers a sufficient share of the new wealth they produce to enable the tenant to become a landowner, to pay off the farm mortgage, to meet the farm taxes, and to maintain a standard of living and of opportunity which will hold a fair share of the most competent young people on the farm to be the parents of the next generation.

Two great difficulties are in the way of successful coöperative marketing of farm commodities in America at present. These are (1) the large number of widely scattered producers of each farm commodity; (2) the lack of intelligent comprehension of the business of group marketing.

The best progress has been made toward efficient group marketing where the territory in which the commodity may be grown and the number of those who produce it are limited by natural conditions and where the producers are well educated. The citrus growers of California offer an excellent example.

In the first place, natural conditions limit the successful growing of citrus fruits to a comparatively small area in the United States. Most of this area is in California. A little additional citrus-growing territory is found in Florida, in Texas, and in other Southern states. A comparatively small number of producers had to be reckoned with; about sixteen thousand, for example, in California. To a considerable extent natural limitations of soil and climate prevent others from producing citrus fruits when effective marketing has raised the price of the product to a fair profit.

The most difficult internal problem in commodity marketing is that of holding all producers of the commodity in line against overproduction of that commodity as the price is brought up to a profitable figure.

SCHOOL OF THEOLOGY



Selfishness and lack of vision in the independent individual producer is the weak spot in coöperative commodity marketing of farm products. In order to obtain the largest immediate advantage for himself, the grower is tempted to disregard the sound principle of limiting supply to normal demand, which every successful business man follows. He is not willing to accept his share of responsibility to the group in keeping production of the commodity down to the amount necessary to supply such normal demand as can be created by good business methods. As the price of the commodity is brought up to a fair profit, overproduction of that commodity results, and the price is reduced for all below a profitable figure. Then those growers who are shortsighted and selfish desert the group to obtain such immediate gains as are offered them by the interests that would destroy the farmers' marketing group.

There is only one weapon against ignorance and individual selfishness, and that is education. The citrus growers of California had the advantage of education. They are probably the best-educated group of producers from the soil to be found in America. The high average of education among them made it comparatively easy for them to comprehend and put into practice the business principles on which successful coöperative commodity marketing is based and to develop effective leaders from among their own group. These better-educated producers could be brought to understand and to follow intelligently and persistently the sound economic principles round which effective commodity marketing is built. Aided to some extent by natural limitations of soil and climate and prepared by superior education, the citrus growers of California lead off in making a successful beginning at coöperative commodity marketing in the United States.

The burley-tobacco growers of Kentucky give us another illustration of the beginning in America of coöperative commodity marketing. Here natural limitation of climate and soil assisted to some extent; these natural limitations were not so

marked, however, as in the case of citrus fruits, for the area in which burley tobacco can be grown successfully is not so sharply limited as is the territory in which citrus fruits can be grown. When the price of burley tobacco was raised to a fair profit by organized commodity marketing, there was marginal land that could begin to produce and that tended to increase the product beyond the amount necessary to meet normal demand.

In the second place, there were fewer educated producers among the growers of burley tobacco than there were among the growers of citrus fruits; hence it was much more difficult to develop from among their own group intelligent leadership, an intelligent comprehension of the business principles involved, and a willing and patient loyalty to the group in putting these principles into effect. In fact, the burley-tobacco growers had to go outside their own group to obtain effective leadership, many of their members proving too ignorant and too lacking in discipline to withstand temptation. To secure immediate selfish advantage many violated the sound economic principles which promote the welfare of the group. The result was that after the coöperative organization of burley-tobacco growers by effective group marketing had raised the price of burley tobacco to a point where a fair profit was being realized, the more ignorant and selfish growers were unwilling to coöperate in adjusting the amount produced to the normal demand. They were glad to enjoy the better price obtained through group marketing, but they did not wish to take any responsibility in caring for the surplus. They had no clear vision of the duty of the common man toward his fellows in the highly organized economic life of today. For a little immediate personal gain they ignorantly brought loss in the end to the whole group, themselves included.

**Education a preparation for successful group marketing.** Ignorance and selfishness among the individual growers of a farm commodity are fatal to the successful group marketing of

that commodity. Education is the most effective means of removing this fatal weakness and preparing a sound foundation for success. Effective education costs time and money. To avoid this, short-cut methods are often sought. These usually end in failure. It cannot be stated too emphatically that the larger the number of producers involved in a commodity marketing group, and the greater the area in which that commodity is grown, the more indispensable does education become to successful group marketing. In the case of great staples like corn, cotton, and wheat, which may be grown over wide areas by millions of producers, the need for educational preparation becomes most urgent. Ignorance and prejudice are insurmountable handicaps here. Thorough education becomes imperative for wholesome leadership. Common men acting as individual producers on independent units of land cannot make a success of such gigantic group undertakings until they are prepared to comprehend intelligently the business principles involved and to give willing obedience to self-chosen authority in putting these principles into effect.

In the early history of our national life we found it necessary to educate the common man to coöperate intelligently with his fellows in carrying out the civic purposes of the new republic. By this means he was able to preserve his political freedom. Today the evolution of life in America has definitely placed the tiller of the soil at the mercy of those who employ group marketing until he does the same for himself. Education must now prepare the farmer to coöperate intelligently with his fellows in making a success of group marketing. By this means he will be able to preserve his economic freedom.

Many of the more progressive rural communities of the United States see the handwriting on the wall. They are making supreme efforts to do their part to prepare the rising generation, through education, to meet the pressing economic problems at their door. But unless this effort becomes much more widespread and, through better education for group mar-

keting, prepares a great majority of the farm people to take care of themselves intelligently in the modern highly organized economic world, they must all go down together — the educated with the ignorant.

Education to be most effective must begin in childhood. Many farmers cannot be reached after they become adults. Theodore Roosevelt stated this truth bluntly when he said: "If you would do anything for the average man, you must begin before he is a man. The hope of success lies in working with the boy and not with the man."

The hope of overcoming the complaint "Farmers cannot stick together," heard everywhere, lies in beginning with the farm people when they are boys and girls in school.

The basic business principles which must be taught to all farm youths before group marketing can have the greatest measure of success are so difficult and so complicated that the average youth cannot grasp them well until he is of high-school age; hence the children of rural communities must go to high school — to a good high school which prepares them properly to take care of themselves in the highly organized economic life of which they are to be a part.

The farmer must be educated for group marketing as a boy or lose out as a man. Unless an educated and organized farm group can restore economic opportunity to the land, the American farmer must go down to economic servitude and intellectual inferiority.

**An economic problem, not a political one.** Experience shows that the decay of farm life in America is an economic problem to be solved by economic means and not a political problem to be solved by political means. The President and Congress and state legislative assemblies have been much concerned with this vital problem, but they have been able to render little assistance toward its solution by political means. Intelligence and business acumen cannot be created by legislation. Legislation can only provide the machinery which helps to put into

effect the sound business principles upon which an enlightened people have agreed to coöperate. As long as farmers are not able to think their way clearly through their business problems nor to agree on the course to be pursued, legislation can do little for them, and the decay of rural life must continue.

**Educate or succumb.** Unless the farm group, living as it does in the midst of a modern, highly organized economic world, is sufficiently well educated to practice group marketing successfully, the economic life of the rural community must deteriorate more and more. The best brains will desert the land. A lower standard of economic life and a lower average of intelligence will each accelerate the momentum of the other on the downward course.

At the time of the Albany Convention in 1754 Benjamin Franklin printed a rude woodcut in his paper, the *Pennsylvania Gazette*. It represented the colonies in the form of a snake cut in pieces with the motto "Unite or Die." Today there comes to the rural people of America the challenge "Educate for efficient group marketing or perish."

The farm people themselves, by the response they make to this challenge, will answer the question Is there to be a farm peasantry in America?

The tragedy of peasantry in the Old World is eloquently portrayed by Edwin Markham in "The Man with the Hoe." Here was struck so universal a chord in the heart of mankind that the author literally leaped into world-wide renown. The famous lines are reproduced here with the author's permission.

THE MAN WITH THE HOE

Bowed by the weight of centuries he leans
Upon his hoe and gazes on the ground,
The emptiness of ages in his face,
And on his back the burden of the world.
Who made him dead to rapture and despair,
A thing that grieves not and that never hopes,

Stolid and stunned, a brother to the ox?
Who loosened and let down this brutal jaw?
Whose was the hand that slanted back this brow?
Whose breath blew out the light within this brain?

THE MAN WITH THE HOE

By Millet, the celebrated French artist, who lived among the peasant farmers and painted them from life

Is this the Thing the Lord God made and gave
To have dominion over sea and land;
To trace the stars and search the heavens for power;
To feel the passion of Eternity?
Is this the dream He dreamed who shaped the suns
And markt their ways upon the ancient deep?
Down all the caverns of Hell to their last gulf
There is no shape more terrible than this —
More tongued with censure of the world's blind greed —
More filled with signs and portents for the soul —
More packt with danger to the universe.

What gulfs between him and the seraphim!
Slave of the wheel of labor, what to him
Are Plato and the swing of Pleiades?
What the long reaches of the peaks of song,
The rift of dawn, the reddening of the rose?
Through this dread shape the suffering ages look;
Time's tragedy is in that aching stoop;
Through this dread shape humanity betrayed,
Plundered, profaned, and disinherited,
Cries protest to the judges of the World,
A protest that is also prophecy.

O masters, lords and rulers in all lands,
Is this the handiwork you gave to God,
This monstrous thing distorted and soul-quencht?
How will you ever straighten up this shape;
Touch it again with immortality;
Give back the upward looking and the light;
Rebuild in it the music and the dream;
Make right the immemorial infamies,
Perfidious wrongs, immedicable woes?

O masters, lords and rulers in all lands,
How will the Future reckon with this man?
How answer his brute question in that hour
When whirlwinds of rebellion shake all shores?
How will it be with kingdoms and with kings —
With those who shaped him to the thing he is —
When this dumb Terror shall rise to judge the world,
After the silence of the centuries?

# CHAPTER II

## THE KEEPERS OF THE LAND

If we ever permit our farming population to fall to the level of a mere agricultural peasantry, they will carry down with them the general social and economic level.

Every citizen among us has a personal concern in the welfare of the farmer. The fortunes of all of us will in the end go up or down with his.

CALVIN COOLIDGE

The President of the United States in the statement quoted above states emphatically that the welfare of the farm group is of supreme importance to the whole people. Let us examine some of the reasons why this is true.

**The farm group the keepers of the land.** In the first place the farmers keep the land for us all. The land is a natural resource of which the limits are definitely fixed. The population of America is increasing at a very rapid rate and is piling up in the great cities. The land must continue to feed us all. To the farmer is intrusted the double duty of husbanding the resources of the land and at the same time making it produce most bountifully. This gives him a basic relationship to the life of the whole people, the importance of which cannot be overestimated. Ultimately he makes or breaks the nation.

**The land the nourisher of all.** Civilized man lives from the soil. This is as true of man on the paved streets of a great city as it is of life in the farm home nestled among the fields. If the thin covering of fertile soil on nature's breast should suddenly vanish, civilized man would disappear from the globe in a single year. This thin covering of fertile land forms the means of contact with nature from which man is nurtured; hence the fundamental importance to the whole people of effective contact with the land. The land nourishes all.

**Man's fight for better contact with the land.** Nations draw their nourishment from the land as the young draw nourishment from the mother's breast. So important is effective contact with the land that nations fight for it. One great reason that impelled modern Germany toward war was the need of

STONE AND STEEL — NOT A BLADE OF GRASS

Men on the paved streets of a great city are as dependent upon the fertile soil for their existence as are the families in the farm homes nestled among the fields. (Courtesy of Keystone View Co.)

more effective contact with the land — a more plentiful supply of raw materials. The war bogy which hovers over modern Japan has its source in the pressing need of her swarming population to find an enlarged contact with the soil.

**The emigration of men to make better contact with the land.** Men not only fight to make better contact with the land, they desert their homes and old familiar scenes and even their loved ones and go into far countries to meet this need. Dur-

ing the past thousand years the surplus population of overcrowded Asiatic and European nations has flowed westward to find new land. Whenever the population increased until it began to press hard upon the means of subsistence, there was always new land to the west to nourish those who had been crowded out from the old home. The advancing front of civilization moved steadily westward from Greece to Rome, to Spain, and to the other nations of western Europe. It leaped the Atlantic Ocean to the coast of North America; pushed over the Appalachian Mountains, through the Ohio and Mississippi valleys, across the Great Plains, over the Rocky Mountains to the western coast, then turned north into Canada and Alaska, and found itself at last face to face across the western sea with the teeming population of ancient Asia. Here the westward flow of man in search of land came to an end in North America. The human tide turned back upon itself and began to pile up its rapidly increasing numbers in the cities. Today approximately 70 per cent of the total population of the United States live in towns and cities. There is little fertile raw land left within the border of the nation to furnish our people further contact with the soil. When overcrowding begins, we shall become more and more dependent on the fruitfulness of this limited area of fertile land.

**The contact with the land made for all.** The 30 per cent of the American people who live on the land and till the soil make the direct contact with the land for all of us. They must provide directly from nature the raw materials to feed and clothe us all. They must provide for the needs of the 86,000,000 who live in towns and cities as well as for the needs of the 31,000,000 who live on the land. As a great population is nourished from the land and from no other source, it becomes of vital concern to all the 117,000,000 American citizens that the farmers make the contact with the land as efficiently as is possible. It might easily come to pass through incompetent handling of the soil that the shortage of food would within a

single generation send the price to exorbitant heights in our crowded and rapidly growing American cities.

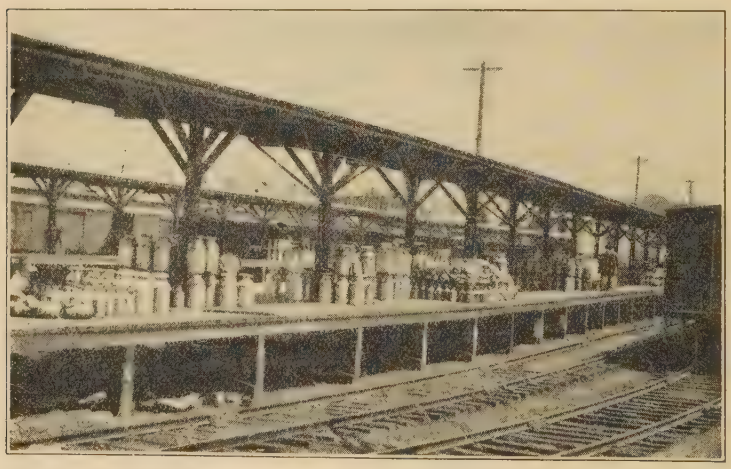
**Prosperity the result of contact well made.** We cannot emphasize too strongly the fact that the people of a nation fare ill whose farmers make ill contact with the land. It is obvious

SOUTH WATER STREET, CHICAGO

Here the products of the soil are assembled to feed the people. (From Mears and Tobriner's "Principles and Practices of Coöperative Marketing." Courtesy of the United States Department of Agriculture)

that if American agriculture passes into the hands of the least competent of our people, the results will be poor, and all will suffer. We cannot hope that nature will respond most bountifully to incompetence and inefficiency; but if the husbandry of the land is maintained in the hands of our most competent people, the best possible results will be secured to the profit of all.

National strength and security are promoted by the most efficient use of the farm lands. To force our growing population to become more and more dependent upon foreign sources of food supply because of the growing incompetence of the American agricultural population would be to put the nation in jeopardy. National security demands that the basic source of the food supply be kept always in the most competent hands.



MILK FROM THE COUNTRY FOR THE PEOPLE IN THE CITY

From Mears and Tobriner's "Principles and Practices of Coöperative Marketing." Courtesy of the United States Department of Agriculture

We may well note here the lessons which history has to teach us on this point. Recent studies of the rise and fall of civilizations indicate that they continue on the upgrade as long as their cities can draw the needful supply of raw materials and of competent young people from the open country. If the cities are permitted to drain the best of the natural resources and the best of the human resources from the land, the foundation of society crumbles, and civilization is ripe for decay. The civilization of Greece passed into its decline when the Grecian cities ceased to be fed from the life on the open lands to the north.

When the mighty city civilization of Rome could no longer replenish itself from the life on its land, which it had permitted to become shamefully impoverished, then that civilization began to decay. We see the spectacle of Roman orators and poets set to work to extol life on the land in a desperate effort to turn the tide and check the exhaustion of their rural community life. But it was too late. Their rural community life was already exhausted, and the city life, which depended on it, had to die. Roman civilization tumbled down amid the ruins of the land foundation which it had permitted to be destroyed under itself.

The American people may well ponder carefully this analysis by the prominent Italian historian Guglielmo Ferrero:[1]

> In no country of Europe are complaints of the expense of living more generally and loudly raised than in the United States. Why? Because in America the disproportion between the progress of the country and that of the cities, between industrial progress and agricultural progress, is even greater than in Europe, the home of populations which for centuries have been accustomed to a country life. It is a veritable *recommencement de l'histoire*, and the study of the Roman Empire can be of the greatest service in helping us to understand it. It is the first serious universally felt symptom of that excessive urbanization which was the ruin of ancient Rome.

We have a present-day example in England. Because the English people led the world a hundred years ago in efficient manufacture and commerce, they purposely subordinated agriculture and depended upon exchanging their manufactured goods for cheap food brought in from other countries. Today these other countries are doing their own manufacturing to a larger and larger extent. Their growing populations require more and more that their food supplies and other raw materials of agriculture be kept at home. Now English statesmen see

[1] "Ancient Rome and Modern America."

that as the populations of the various nations increase and as efficient manufacturing is practiced by all the peoples, each nation must depend to a greater extent than formerly upon food supplies and agricultural raw materials produced within its own borders. England is grappling desperately with this problem at present.

Every American citizen who is intelligent enough to be concerned about the future welfare of his country and about his own prosperity will seek to save his country from making the same mistake. He will be interested in maintaining a competent and vigorous farm group on land kept fertile and productive that our civilization may be solidly founded and may endure.

**Importance of the contribution of the farm group to the spiritual life of the nation.** The American farmer not only supports the physical life of the nation but, to a very large extent, nurtures its spiritual life as well. If we were to take from the story of America all that has been contributed by the rural people, both through leadership in high places and through stanch support of American ideals, we should have but an incomplete and fragmentary story left.

**Leadership from the farm group.** Farmers fired the "shot heard round the world" which opened the struggle in America for human freedom. The Declaration of Independence was written by a farmer. The farm group contributed a large number of our presidents, conspicuous among whom were the first president, the last president, and the most beloved president. Theodore Roosevelt, born in New York City, is an exception whose conspicuousness emphasizes the fact that a surprisingly large number of our great leaders came from rural communities, and even he went West to develop his full powers on the land. The leaders of the most momentous series of political debates in our national history, Webster and Calhoun, were farm boys. The leaders on each side who finally fought out the issue on the field of battle, Grant and Lee, also were from rural communities. It is significant that at the last national election

each of the three leading political parties chose a country boy as its candidate for the presidency.

Rural communities have given to America editors, like Horace Greeley; educators, like Horace Mann; inventors, like Thomas A. Edison; soldiers, like General Pershing; religious leaders, like John R. Mott; industrial organizers, like James J. Hill and Henry Ford; explorers, like Robert E. Peary and Vilhjalmur Stefansson; creative scientists, like Luther Burbank and Wilbur Wright; publicists, like Herbert Hoover and Governor Lowden; and women crusaders for a better America, like Clara Barton, Frances Willard, and Ida Tarbell. A survey of the leading business men in a great American city disclosed the fact that 90 per cent of these leaders had come from farming communities. Investigation has revealed the fact that a large proportion of the leading educators and of the ministers of the gospel throughout the nation today are from rural communities.

**The farm group the bulwark of American ideals.** Not only has the farm group provided a large proportion of the most notable leaders in American life, but it has provided also a very sound and dependable citizenry. The farm population as a whole has held tenaciously to American ideals as set up by the people at the time of the founding of the Republic. Love of liberty and a stanch spirit of independence have a permanent abiding place among them. In the beginning they were landowners and home builders. They struck their roots deep and became community builders. There is no more sound and permanent foundation than this for developing good citizenship. The farm people have lived more largely in daily contact with God's laws as they operate in nature round them, and less in contact with man's laws as they operate in the teeming mart. The result has been a wholesomeness of spirit and a sane point of view that have contributed much to the spiritual life of America.

**Three reasons for the large contribution of the farm people to the spiritual life of the nation in the past.** 1. *The farm originally the home of most of the families.* In the early history of

America the great bulk of the people lived on farms. When George Washington was president, more than 90 per cent of the people of the United States lived in rural communities. By Lincoln's time the growth of cities had brought some change in the relative proportion of urban and rural population; the nation was, however, still predominantly rural. In 1880 the population of the United States was 71.4 per cent rural and 28.6 per cent urban. Under these conditions it was natural that a large number of the leaders should come from rural communities. Then there came a significant change: there was a very rapid increase in the proportion of the population gathered in towns and cities. So rapid was this increase in city population that by the time Calvin Coolidge was elected president the towns and cities held more than 70 per cent of the American people. Less than 30 per cent remained on the farms. How this change will affect the proportion of American leaders from the rural communities must be left to the future.

A LEADING FARM FAMILY IN AN IOWA CONSOLIDATED SCHOOL DISTRICT

2. *Original settlers on the land a very high type.* The second reason for the large contribution to the spiritual life of the nation made by the farm people is found in the unusually high type of people who originally settled on the land. It has been

truly said that God sifted the nations of Europe to get the seed to plant America. This new continent was seeded with the best that the Old World had produced. Only the more enterprising, the more capable and earnest, had the courage and the strength to leave the shelter of the old home, cross a stormy sea, and by personal effort win new homes in the battle with an inhospitable wilderness; the weak and incompetent were barred by the difficulties and dangers of the undertaking. Hence the new lands of North America were settled by the best from the leading nations of the Old World. These settled on the farm lands first. Migrations to the cities came later. The same selective process applied to the settlement of the more remote lands as population moved westward. Thus the rural communities in America were planted with the superior stock of the Old World, and from this superior lineage have come a sound citizenry and a superior leadership.

3. *Superior discipline of childhood on the farm.* The third reason for the large contribution of farm people to our national life is found in the conditions which surround childhood on the farm. Children born of intelligent parents found a superior discipline in the rigors of life on the land. Such discipline began early in the life of the farm child. He ate plain food, kept wholesome hours, and had few indulgences. He early formed the habit of work. Doing his chores regularly each night and morning implanted this highly desirable habit so deeply that it never left him.

The farm is a place of things, of plants and animals, which must be cared for and protected. Sudden changes in the weather, live stock which breaks out of bounds, diseases which attack the farm crops and the farm animals, weeds which choke the fields, market conditions which shift in a most perplexing way, and the thousand other emergencies which must be met constantly by the farm family make more insistent demands on the initiative and resourcefulness of the

farm youth than are made in any other environment. Farm life challenges his intelligence, his courage, and his enterprise, and forces on him, as does life nowhere else, the necessity for immediate self-directed effort and individual responsibility.

The child on the farm comes early into very intimate contact with life. He sows the seeds and sees the tender new plants break the surface of the ground. He notes the effect of sun and rain and soil fertility. It is his responsibility to subdue the weeds. He observes the evil result of failure. From helpless young animals dependent upon his care he draws most valuable lessons of life's relationships and responsibilities. The farm boy carefully feeding, watering, and bedding down the stock to make them warm and comfortable on a bitter winter's night is unconsciously building traits of character that will make him a better father and neighbor and citizen. As he shares with the other members of the family in the division of family work and family responsibility in the home, about the barn, and in the fields he is gathering a stock of wholesome experiences which will tend to give him a fairer understanding of life's relationships in this workaday world. Probably there is no better opportunity to learn of nature's God than is afforded by childhood on the farm. From these

A GROUP OF INTELLIGENT FARM BOYS

These boys are studying the problem of making the soil yield still more bountifully to feed the people. In such farm boys lies the hope of the future. If a fair share of the most capable youth will remain upon the land, our farming population will not fall to the level of a mere agricultural peasantry

conditions of childhood and youth on the farm came many of those leaders whom the American people still hold highest in esteem, a body of citizens of solid worth who formed a sound foundation on which to build a great nation. But we have been considering the past history of our farm life in America. What of the future?

**The tragic reversal of conditions.** Thoughtful people everywhere are conscious that a tragic reversal of conditions of farm life in America is going on and that it is connected somehow with economic conditions on the farm. Of the three reasons cited why the farm people formerly made such a large contribution to the life of the nation, only one remains true today. The farm still provides a superior discipline for the child. But a majority of the people no longer live on the land; neither can it longer be said that the people living on the farms are a superior group.

This significant reversal of conditions has been caused by two underlying economic changes. These have occurred simultaneously: one on the land, and the other in the city. Together they have made life on the land unprofitable and are now causing the superior young people to leave the farms and to go to the cities.

During the early life of the nation a plentiful supply of fertile farm land was to be had free or at a very small price an acre. During this period cheap land offered the best economic opportunity to be had by millions of energetic people who did not fear hardship or hard work. So attractive was this opportunity to get cheap land that not only did it call thousands of the most capable young people from the older portions of the United States, but it brought many people of a most desirable class from the far-away countries of Europe. It was in this period that Horace Greeley uttered his famous advice, "Go West, young man." In those days the group marketing of industrial products by city populations had not yet developed to put the individual farmer at a disadvantage, and the chance

to get a fertile farm almost without cost, where the family could provide largely for its own needs, offered life's best opportunity to millions of the most intelligent and enterprising of our people.

The opportunity to get cheap land was such a boon that it offset the lack of other opportunities on the farm at that time. What mattered it if the farmer's school was not so good as the city school? An ignorant man was on the same basis as a college graduate in securing free land, and opening up a new farm was a school in itself. What mattered it if the farm home lacked conveniences? So did most city homes at that time. What mattered it if the farmers were not organized for efficient group marketing of their products? The industrial groups in the towns and cities with whom the farmers exchanged products were not yet organized for efficient control of production or of marketing. The farmer was still supplying a large share of his wants without exchanging products with anyone. In short, life on the farm under those conditions offered as great economic opportunities, and was as attractive, as satisfying, and as promising as life anywhere else in America. Under these circumstances it was natural that a fair share of the most intelligent people should choose to live on the land.

**Exhaustion of free lands.** Then came the exhaustion of free farm lands and an almost continuous rise in the price of agricultural land as our population piled up rapidly in the cities. Within the memory of men now living the desirable farm lands in the Middle West have risen from five or ten dollars an acre to two or three hundred dollars an acre. The price of farm land did not stop rising when it reached the value to be assigned to it as a productive enterprise under the existing conditions of farming. It continued rising above its productive value because of its enhanced investment value as city population increased. Improved farm lands were looked upon as a very secure investment as well as an investment which would probably increase in value through unearned increment. For these

reasons investment money from the cities was put into farm land at prices which were often considerably above its value in terms of annual productive power. In other words, investment money ran up the price of farm land so high that the young farmer now finds it difficult to pay for a farm out of the depreciated net earnings of the farm business. He is forced to remain a landless farmer over a much longer period because as hired man and as tenant he cannot save enough out of the meager earning power of the farm to buy a farm at the greatly increased price of farm land. To make matters worse, capital and labor in the cities continue to organize and to perfect their group marketing and thus to increase their bargaining power over the farmer. The farmers, remaining largely unorganized for group marketing, find themselves on the short end of the bargain. Now that the desirable free land is all gone and the price of land has risen in many cases above its productive value, and bargaining goes against the unorganized farmer, the economic opportunities which once called the most intelligent and enterprising to life on the land are gone.

**Increase of opportunities in the cities.** During the same period in which economic opportunities on the land began to decrease, economic opportunities in the cities began to increase. Organized labor, through collective bargaining, was increasing the price it received for its services and was bettering its working conditions. Organized capital, through group production, was able to institute more efficient processes and to secure better control of the amount of production; and through group marketing it was increasing its profits. As a consequence of the economy of serving many homes at once the average city home was being better supplied with running water, sewage disposal, bathroom facilities, and other modern conveniences than the average farm home. The city schools were being rapidly improved, whereas the rural schools lagged farther and farther behind. Growing towns and cities offered larger and larger business and professional opportunities for the

intelligent and capable young people from the farms. Conditions are now reversed from the days when a plentiful supply of cheap land and an even chance in marketing provided life's best opportunity for the intelligent and enterprising on the farm: the best economic opportunities are now to be found in the cities.

In America we attempt to keep the door of opportunity freely open to all. We have no caste or class system to hold men down. Each is free to move in the direction of his choice. Hence we are quick to judge our own condition by comparing it with that of others. We want it to be as good. Intelligent, competent, enterprising young people turn instinctively toward life's best opportunity wherever it may be found, and the better educated they are the more readily they can do this. Here is the very genius of America.

**The unequal struggle abandoned by the intelligent.** With the price of farm lands so high and marketing conditions so poor that the young people can scarcely pay for a farm out of its earnings, with mortgage indebtedness and tenantship constantly increasing in the rural communities, and with the increasing difficulty of maintaining a standard of living on the farm equivalent to that of urban communities in home conveniences, schools, churches, hospitals, libraries, recreational and other welfare agencies, many of the most competent and discerning young people, the best educated, those prepared to accept the better opportunities to be had elsewhere, are turning their backs on the farm. They feel the lack of opportunities to be had on the land at present and are abandoning the unequal struggle; they go to seek better opportunities in the more effectively organized life of the urban communities.

Studies made by the writer in 1924 and 1925 brought to light some disturbing tendencies. In the community studied in central Maine it was found that as high as 90 per cent of the farm boys and girls who had the capacity and enterprise to get a high-school education turned away from the farm and sought

EVANGELICAL SCHOOL OF THEOLOGY


larger opportunities elsewhere. A similar study in a rural community in Ohio revealed the fact that of the youth of the community who were sufficiently intelligent and dynamic to get a high-school education, 83 per cent deserted the farms and sought larger opportunities in the better-educated and better-organized urban communities. Similar studies in Delaware, Virginia, Arkansas, and Texas revealed similar conditions. In 1923 Deich and Jones made a study of distinguished high-school pupils in Iowa.[1] They found that while 60 per cent of the 316 superior pupils studied were from farms, only 3 per cent indicated any desire to return to the farm. In 1925 the writer investigated fifteen high-school graduating classes in rural communities in Iowa each of which contained a large proportion of members from farm homes. In no case were more than two members of the class found who were willing to make farming their life work, although some of these classes had as many as twenty members from farm homes. The results of the investigation conducted by the *Chicago Tribune* in 1925 are significant. They showed that during the previous five years, while the attendance in American colleges was increasing rapidly, the attendance of young people at agricultural colleges to prepare for life on the farm fell off very sharply. At Michigan Agricultural College the decrease was 47 per cent; at Illinois, 45 per cent; in Wisconsin and New York, 40 per cent. There is food for thought in the remark of the Louisiana farmer who said, "As I look over this community I see that the land is running down, the buildings are running down, the fences are running down, and, worst of all, our most competent young people are deserting us for the oil fields and the cities"; and in that of a New England farmer: "Our rural communities are like fish ponds with the game fish all fished out — nothing left but suckers and bullheads."

The disturbing fact is not that a part of the young people born on the farms are moving toward the cities. There is not

[1] *Bulletin No. 46*, United States Bureau of Education, 1923.

room on the farms today for all the children born there. The migration of the excess number to the industrial fields, where there is a greater need of their services, is a wholesome economic readjustment. The alarming fact is that so large a proportion of the most intelligent and competent and dynamic are going,

A WELL-BRED HERD OF BEEF CATTLE ON A MID-WESTERN FARM

Such well-bred cattle increase the power of the farm to feed the people of the cities. However, a well-bred group of people on the farm is of more importance in the long run than a well-bred herd of cattle

leaving the less intelligent and less competent to become the parents of the generation to be born in the rural community.

**Biological significance.** We need only to view this situation from the standpoint of known biological facts to foresee its alarming effect on the future farm population and, in turn, on the security of American agriculture and the security of the nation.

**Like begets like.** Every farmer knows what would be the result if he constantly sold off the finest animals in his herd and

constantly reproduced the herd from the most inferior individuals. He knows that through the crossing of the less desirable traits of inferior individuals his herd would steadily deteriorate.

**Conditions revealed by intelligence tests.** Hinds carried out a series of intelligence tests on urban and rural children in communities where the forces which tend to sift out the best from the rural communities and carry them over into the urban communities have been at work for some time. He found the medians of intelligence in urban and rural communities to be as tabulated below.[1] Pintner quotes Hinds as follows:

These tests represented as nearly average groups of students in each type of school as it was possible to obtain. This being the case, the conclusion seems to be justified that the country child is lower in general mentality, as measured by the group mental test, than the city child.

| | Median Intelligence | Number of Schools |
|---|---|---|
| City high schools . . . . . | 100.5 | 164 |
| Affiliated town schools . . | 98.0 | 290 |
| Small town schools . . . . | 84.4 | 59 |
| Rural schools . . . . . | 77.0 | 68 |

In a study made in ten counties in Indiana in 1917–1918 the Committee on Mental Defectives[2] reported as follows:

County H is situated south of the central part of the state in a wooded hilly region. The central part is composed for the most part of good farming land. The outskirts are rough and hilly, unfit for the general farming of the only kind done by the average farmer. Besides being rough, these districts are, for the most part, isolated from the more civilized portions of the county. It is in these isolated rural schools tucked in among the hills and valleys that the largest

[1] Rudolf Pintner, Intelligence Testing, p. 250. Henry Holt and Company, New York. Reprinted by permission.

[2] Report of the Sixth Conference of Educational Measurements, Extension Division, Indiana University. Reprinted by permission.

per cent of feeble-minded and backward children were found. It was expected that in certain districts the number of defectives would be higher than in others but the amount of difference was not suspected. In one township it was found that 27 per cent of the school children were feeble-minded. This is probably a conservative number as the testing was done at a time when many of the children were not in school and it is a well-known fact that the dull children are the first to drop out of school.

**Declining average of intelligence first noticeable on the poorer land.** The decline in the average of intelligence and capacity among farm people first becomes noticeable on the poorer farm lands. This is because better farm lands elsewhere and better opportunities in the cities draw away from those poorer communities the most intelligent and capable of their young people. The evil results become more obvious with the passing of each generation.

The same committee quoted above explains this as follows:

The more enterprising settlers took up the best land and the inferior men who did manage to procure good farms were soon pushed back into the hills where competition was not so keen. Just how this was accomplished is shown in the study of the family histories of not only degenerate groups but also by the study of the histories of well-to-do families and of the part played by each in the development of the community life. It is well known that individuals tend to marry in their own class and as the years have passed the inferior families pushed back among the hills intermarried until at the present time many of the residents of any one of these small communities can trace their ancestry to the same man. Thus, there is a bringing together of bad traits in the present generation which were serious enough many years ago to set the possessors of them apart from their neighbors. There has for many years been a constant draining off of the most ambitious blood from the country to the city where there are to be had greater advantages. Consequently, the more inferior stock left behind tends to inbreed, producing more inferior individuals out of which number the best in their turn tend to move to the cities.

**The change coming on rapidly in America.** The influences that tend to drain the most competent young people out of the rural regions are free to operate more rapidly and to produce their dread results more quickly in America than in any other nation in the world's history. Here we have no caste or class system to bar the way of ambitious and capable young people who desire to get away from the land, as was the case in the nations of the Old World. Here universal education opens all doors of opportunity to farm youth and speeds them on the way toward their chosen goal as was never the case in any other country. It is the very spirit of America that each should be unhampered by the occupation or social status of his parents in seeking the best possible station in life. Hence the decay of the agricultural population, which was checked and slow in the great agricultural nations of the Tigris and the Euphrates, in the valley of the Nile, and in ancient Rome, is hurried forward in America. The very things we prize most in our national life are, under present conditions, rushing the most competent young people off the land and carrying us on toward the destruction of rural life.

**The rural group becoming decadent because of lack of bargaining power.** Already we have sufficient proof that the average intelligence of the farm people of America, which was formerly very high, is now declining. If this tendency is not checked, America's most important natural resource will soon be in the hands of her least competent people, who, as Calvin Coolidge said, "will carry down with them the general social and economic level."

We may regret that America's brightest and best young people are continuing to leave the farm in ever-increasing numbers; that this migration of the best to the cities must leave the poorest on the land; that these inferior people tend to reproduce inferior individuals like themselves and will eventually people our farms with an inferior stock; that this must ultimately debase our agriculture and in turn jeopardize the life of

the whole nation; we may regret and deplore these conditions, but we can never hope to change them until we succeed in restoring the buying power of the farm. The whole problem before us is, at its base, economic. The danger of social and intellectual degeneracy in American rural life grows out of the present lack of bargaining power on the part of the American farmer.

**Reasons for leaving the farm.** In an investigation conducted among three hundred competent young persons who had left the farm, the reasons most frequently given for doing so were as follows:

1. A desire for a larger opportunity.
2. Farming does not pay.
3. Land too high; no hopes of owning a farm.
4. No promotion.
5. Cannot organize economic life of the farm efficiently.
6. Farmers as a class uneducated and uncoöperative.
7. Financial returns too uncertain.
8. Little opportunity for social life and recreation.
9. Opportunities to get an education not good.
10. Long hours of hard labor for small pay.
11. Fewer modern conveniences and comforts in the farm home than are afforded in the city home.
12. Women tied constantly to the work.
13. Little opportunity for pleasurable contacts in work or play.
14. Farm life lonely and monotonous.
15. Little opportunity for the higher life.

Back of all these statements there lies the same fundamental weakness, the lack of buying power of the farm. Capable young Americans tend to move in the direction of the best economic opportunities, and they will continue to do this as long as they are intelligent and capable and American. The best go first.

**Modern facilities more costly in rural communities than in urban communities.** To aggravate further the condition produced by the depreciated buying power of the farm is the fact

that modern facilities for the betterment of life cost more in rural communities than equivalent facilities cost in urban communities. This is true because the urban community provides these facilities in large quantities to a large number of people compactly grouped together, whereas in the rural community they must be provided in small quantities to a small number of people who are widely scattered. It costs much less per home to provide running water and sewage disposal in the city, where many homes are grouped together in the same system, than it does to supply equivalent facilities in farm homes so scattered that each home must provide a complete system of its own. It costs less per child to provide a good modern graded school and high school in the city, where the children are compactly grouped and can be assembled in large school units, than it costs per child to provide equivalent school facilities in the rural community, where the children are scattered and must be transported and educated in comparatively small school units. It costs less per capita to provide churches, libraries, hospitals, and attractive forms of recreation in urban communities, where the people are compactly grouped and can be served in large numbers, than it costs per capita to provide equivalent service in rural communities, where the people are scattered and must be served in much smaller numbers. The result of

A FARM HOME IN A SECTION OF THE MIDDLE WEST

Here most of the capable young people of each generation desert the farm. There are less modern conveniences and comfort in the farm home than city homes afford

this economic situation is that the sum total of modern advantages which improve life and make it more attractive and satisfying cost more per capita in the rural communities than equivalent facilities cost in the urban communities. Rural communities must pay the higher cost or get along with fewer advantages.

**Cost of living up, buying power down.** Not only do modern facilities for the betterment of life cost more per capita in rural communities than equivalent facilities cost in urban communities, but the buying power of the people in rural communities is now growing less in comparison to the buying power of the people in urban communities. This causes rural life to suffer a double disadvantage: the facilities for the betterment of life cost more on the farm, and farmers have less with which to buy them. Lack of buying power among farmers bids fair to continue so long as they continue to practice individual marketing in the face of group marketing as it is now practiced by organized labor and organized capital. And the most competent young people will continue to desert the farm as long as it remains at a marked disadvantage in buying power.

**Loss of soil fertility.** The loss of the best brains from the land is one serious problem. The loss of fertility from the soil is another. If the keepers of the land are to guard this most important natural resource in such manner that it will produce most bountifully for the good of the whole people, they must provide for replacement of soil fertility. The true loss of soil fertility has been hidden from the American people by the effects of the increased use of farming machinery, by better varieties of field crops, and by better methods of cultivation. It is not yet realized how great the robbery of the soil has become. The rapid increase in farm tenantry now going on leads to rapid increase in soil robbery. The difficult economic conditions in which the farm tenant finds himself today literally compel him to be a soil robber. He gets so little for his crops

that he is forced to take as much from the soil and to put as little back as is possible. It is estimated that to maintain soil fertility without a liberal use of commercial fertilizers, one fourth of the farm acreage should be in legumes and pasture. Out of the returns that he receives from his crops the tenant is not able to make liberal application of commercial fertilizers or to reserve any considerable portion of rented land for soil building. The farmer who owns only a small equity in a heavily mortgaged farm finds himself in the same position. The farmer who owns his farm, on the other hand, is much more able to do these things and has a much greater incentive for doing them. Organized marketing of farm crops should be made to yield sufficient buying power to convert tenants into landowners and to enable landowners to use commercial fertilizers and to hold some lands in reserve for soil building. No other course will keep the farm lands of America permanently fruitful.

**The approaching crisis.** In addition to maintaining intelligence on the land and fertility in the soil, a third difficult problem must be solved. This problem arises out of the very rapid growth of our cities, to which the brightest and most competent of our country youth are constantly going. There will be fifteen million more mouths to feed in our cities by 1935. At the same time the number of workers on the farms is decreasing. A study of Table VI [1] shows how rapidly city population is outstripping farm population in the United States. Urban population comprised 28.6 per cent of the whole in 1880 and 51.4 per cent of the whole in 1920. Urban and village population combined in 1920 comprised 70.1 per cent of the whole; only 29.9 per cent of the people remained on the farms. A study of Table VII [1] reveals the fact that while the number of workers in all the other leading occupations increased during the ten-year period from 1910 to 1920, the number of workers in agriculture alone decreased. Abandoned and idle farm lands

[1] Compiled from the United States census.

in many parts of the United States mark the road we are traveling. The decline of the food-producing population at the very time that the city population is rapidly increasing will presently bring on a crisis. This crisis is a phase of the economic cycle in which the relation between agriculture and other industrial groups tends to move — a blind relentless cycle.

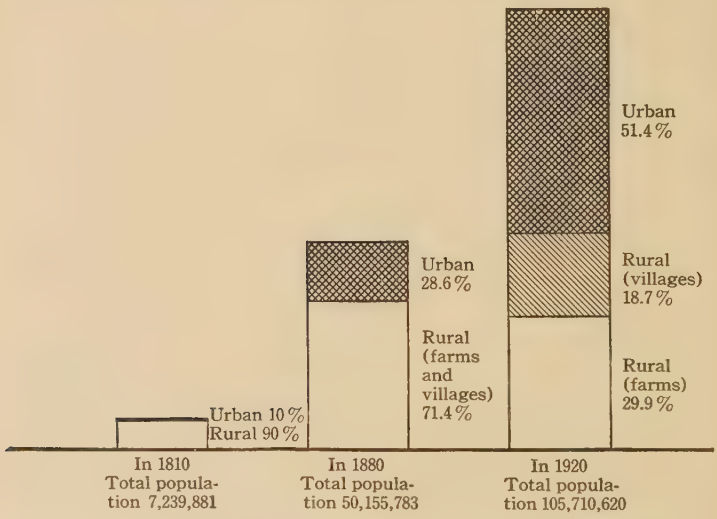



TABLE VI. GROWTH OF POPULATION IN THE UNITED STATES FROM 1810 TO 1920

Showing proportion of rural population to urban population. Rural population in white; urban population in black. Note the rapid increase in city population

During the first half of the cycle, while farm products are abnormally low in price, much hardship must be endured on the farm. Many farm families must go bankrupt and lose their farm homes. But, worst of all and hardest to repair of all, farm communities must lose their most competent young people and go bankrupt in brains. This is the crisis for the farmers. During the second half of the cycle the decadence of agriculture produces food shortage and abnormally high prices for farm

products. The people of the cities must go hungry and face the long train of hardships that grow out of ruinously high prices of food and clothing. There is great discontent and outcry against the high cost of living; there are labor disturbances. This is the crisis for city populations. The blind economic cycle, when uncontrolled, does injury to each group in turn. Hence both the keepers of the land and the city dwellers are concerned in finding an intelligent solution for this grave problem rather than leaving it to the slow, cruel process of the economic cycle.

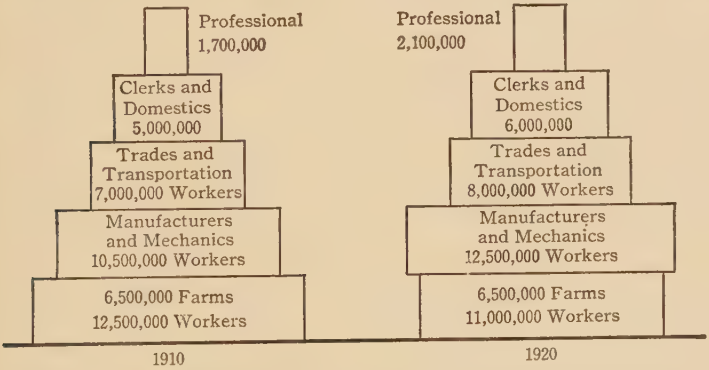



TABLE VII. ECONOMIC CROSS SECTIONS OF THE UNITED STATES IN 1910 AND IN 1920

Showing proportionate numbers of workers in the leading occupations

The solution of the problem is found in intelligent group marketing of farm products, which will correct the conditions that are now driving the competent producing class from the farms. By bringing the bargaining power of the farm up to a par with the bargaining power of the organized industries and holding it there steadily, a competent producing group can be maintained on the farm and thus the vicious cycle can be broken. By establishing the exchange of products between the two on an equitable basis, both the farm population and the city population can be saved from the recurring distress of the vicious economic cycle.

The land is the basis of life. It is a limited natural resource in the keeping of the farmers of the nation. The farmers must feed us all. Originally the farmers of America were a very competent class of people who contributed much to national leadership and to the maintenance of American standards. A significant change is now coming on. The lack of bargaining power in unorganized agriculture is robbing the farm of its best youth and robbing the soil of its fertility. There is no hope of alleviation until farmers are as well organized for marketing as are those with whom they exchange products. The rapid increase in urban population and the decay of agriculture foreshadow hunger in the cities. This is the concern of the whole people. The most constant endeavor, the most concentrated attention, and the most purposeful effort of the American people are needed for the solution of this problem. It challenges the intelligence of the race. The time to act is now.

# CHAPTER III

## THE ECONOMIC EVOLUTION OF FARM LIFE IN AMERICA

The evolution of economic life in America has placed the farmer in a new situation. He finds himself a part of a new economic world in which every industry but his own has developed highly organized bargaining power and has employed skilled business leadership. Whether the farmer has desired it or not, he is now forced to organize equal group-bargaining power and equally effective business leadership or remain at an economic disadvantage that will ultimately force him down into peasantry.

In dealing with the education of the farm group we place emphasis first upon education for efficient marketing of farm products. Until the buying power of agriculture is brought to a parity with the buying power of other economic groups, the life of rural communities must languish, and there can be no such thing as the development of a permanent rural culture. Economically bankrupt rural communities cannot attain prosperity in things of the spirit; rather, economic bankruptcy of farm communities will tend to produce spiritual bankruptcy in rural life. There is no more effective way for a rural community to develop spiritual solvency in the end than to set out earnestly to meet its business problems squarely.

The necessity of choosing whether to organize the business side of agriculture effectively or to accept a lowering standard of living, of intelligence, and of culture for the farmer is the outcome of a long evolution in the economic life of the farm group. The steps in this evolution have been: (1) the primitive life of the pioneers; (2) the increasing organization of life

in settled communities; (3) the increasing use of productive power-driven machinery in industrial centers; (4) the increasing use of productive machinery on the farms; (5) the increase in farm production through the homestead laws; (6) the rapid rise of cities; (7) the improvement in transportation; (8) the

CROSSING THE PLAINS

From a painting by Andrew P. Hill

increasing exchange of products; (9) the increasing importance of bargaining power; (10) the increasing development of organized bargaining power by other industries; (11) agriculture forced to organize bargaining power of its own or sink into decline.

**The pioneer family self-sufficing.** The scattered pioneers who comprised the advance guard of civilization in America had little organized community life. Their log cabins or sod shanties were widely separated. Often the pioneer family

had no neighbors, no roads, no market, no school. The members of the family, by hand labor, produced from the field or forest the simple necessities of life. Food, clothing, shelter, and implements were "homemade"; but plain and crude as they were, they sufficed for the simple life of these hardy men

LOG SCHOOLHOUSE OF THE EARLY PERIOD WHEN "READING, 'RITING, AND 'RITHMETIC" SUFFICED FOR COUNTRY FOLKS

and women. In the pioneer period each family was largely a self-sufficing unit; it provided for most of its own needs.

**Early communities self-sufficing.** As the community became more thickly settled, community life became more highly organized. Division of labor appeared. Some tilled the fields, others worked in the sawmill, the woolen mill, or the gristmill. The shoemaker, the tailor, and the tinker went from house to house. In the little shops of the wagonwright and the cabinetmaker most of the implements and furniture used in the community were made by hand. The little country store came in to facilitate the exchange of goods. Men began to buy and

to sell goods for money instead of bartering goods for goods. In this second stage of development the individual family in the rural community no longer attempted to supply all its own needs; through the division of labor within the community these needs continued to be supplied largely from within the community. As late as 1850 many country communities were supplying practically all their own needs, and it was thought then that they would continue to be largely self-sufficing.

**Artisans drawn to industrial centers by power-driven machinery.** Then came the invention of labor-saving machinery that could be assembled in a factory and be driven by steam or by water power. This wrought a tremendous change in the self-sufficing rural community. Presently the wagonwright, the shoemaker, the spinner, the weaver, the tanner, the soap maker, the harness maker, the maker of brick, the sawyer, the maker of furniture, the miller, the butcher and curer of meats, all of whom had had an active part in the life of the community, began to desert it and to congregate in the growing industrial centers, where the use of modern machinery enabled them to produce more efficiently. This brought on the third stage of development. Rural communities ceased to be self-sufficing. They began to exchange the products which could be produced most advantageously on the farm lands for those products which could be produced to greater advantage by the use of power-driven machinery in industrial centers.

**Exchange of products increased by the introduction of productive machinery on the farm.** The exchange of products between the farmer and other industrial groups was greatly augmented by the introduction of productive machinery on the farm, for two reasons: (1) It increased the amount which the individual farmer produced; hence he had a larger amount to exchange. (2) It caused the farmer to limit his operations to those products which he could produce most advantageously by machinery; hence a larger amount of exchange became necessary. The increasing exchange of products by farmers

became more and more noticeable with the increasing use of farm machinery following 1830. The mowing machine was patented in 1831. In 1840 Cyrus McCormick, together with his father and brothers, built by hand the first reaper that was offered for sale. The drill for sowing grain began to be used about 1860. The steam thresher was perfected in 1860 and came gradually into use after the Civil War. The two-horse cultivator began to be used about 1865. The refrigerator car, for shipping fresh meat, fruit, and other perishable farm products, was brought into use in 1869. The check-row corn planter was perfected about 1870, coming into use gradually after that date. The twine binder, the Babcock milk tester, the centrifugal cream separator, and the disk harrow were put on the market about 1880, and the gang plow began to be generally used about 1890. The corn binder was perfected about 1890; it was exhibited at the World's Columbian Exposition in Chicago in 1893 and came rapidly into use. Husking and shredding machines were developed about 1890. The husking machine was slow in reaching satisfactory perfection. Two-row cultivators were first put on the market about 1904. The gasoline engine began to come into use on the farm about 1906, and the kerosene tractor about 1910.

HAND CRADLE FOR CUTTING GRAIN USED ABOUT 1850-1870

**The productive power of the farm worker multiplied by machinery.** By the use of modern farm machinery the productive power of each worker on the land was greatly increased.

It is estimated that the power of the farm worker has thus been increased more than 600 per cent, one man with machinery now doing as much work as was formerly done by six men. In the production of corn one man can now do with modern machinery the amount of work which formerly required the labor of seven men; in the production of wheat modern machinery makes one man the equivalent of eighteen men in the days when wheat was sown, cut, bound, and threshed by hand. The improvements in farm machinery in America since 1830 have done more to increase the productive power of man on the land than all the improvements which had been made in agricultural implements during the four thousand years preceding that date. The American farmer has become the most productive farmer in the world. The average production of cereals per person engaged in agriculture in the United States is twelve tons, whereas for the rest of the world it is only 1.4 tons. This increase in the amount of production per man and the limiting of the varieties of farm products in each community to those produced most advantageously by machinery have greatly increased the exchange of products between farmers and other industrial groups in America.

**Farm production increased by homestead laws.** In the thirty years following the passage of the homestead laws (1862 and 1864), farm lands to the extent of 233,043,939 acres were settled by farmers who came from the Eastern states and from Canada, the British Isles, Germany, and the Scandinavian countries. Under the terms of the law the settler was given a homestead of one hundred and sixty acres if he would live on it for five years. Thus, by 1890, new lands aggregating in total approximately six times the area of Iowa, or one and one-half times the area of France, had been converted into producing farms. These homestead farming communities were grouped into the new states of Nebraska, Kansas, Colorado, South Dakota, North Dakota, Montana, Wyoming, Idaho, and Washington, all of which were by 1890 added to the Union as states.

It happened by an unusual coincidence that the full effect of the increase in farm production through the use of machinery and the increase caused by the opening of homestead farms fell upon agriculture during the same generation — the thirty-year period from 1865 to 1895. The number of farms in the United States more than doubled in thirty years, increasing from 2,659,985 in 1870 to 5,737,372 in 1900. The introduction of steel labor-saving machinery enabled each settler on the newly opened farms to produce a greater amount and at the same time stimulated the older agricultural areas of the Eastern and Central states to increased production. Before the invention of McCormick's reaper it was not an uncommon sight to see cattle and hogs feeding in the yellow fields of ripe wheat in Ohio, Indiana, and Illinois, and trampling the grain underfoot. The short harvest season rushed past so quickly that fathers, mothers, children, and grandparents could not succeed in saving the grain by hand, although they labored feverishly from daylight until dark. After the introduction of steel labor-saving machinery the greatly increased acreage of grain planted was successfully harvested and thrown on the market. The result was that the supply of agricultural products increased by leaps and bounds until it greatly exceeded the demand, and prices fell to a very low point. Overproduction of farm products broke the market price of these products.

In the Middle West, during the period of the worst depression caused by the overproduction of farm products, corn sold as low as 10 cents per bushel; potatoes, 10 cents per bushel; oats, 8 cents per bushel; eggs, 5 cents per dozen; butter, 6 cents per pound; fat hogs, $2\frac{1}{2}$ cents per pound; wheat, 35 cents per bushel; hay, $3 per ton. These very low prices produced much hardship, great discontent, and radical political activities among farmers.

**Rapid rise of cities.** This large overproduction of farm products was very favorable to the rapid growth of cities. The cities traded in farm products, and flourished. The urban

population of the United States spurted rapidly ahead of farm population. During the period from 1880 to 1920 the total farm population made little gain, whereas the population of the cities multiplied four times. This greatly increased the exchange of products between farmers and the cities.

URBAN AND RURAL POPULATION OF THE UNITED STATES, 1880–1920

| | CLASS | | | | |
|---|---|---|---|---|---|
| | 1920 | 1910 | 1900 | 1890 | 1880 |
| *Number* | *105,710,620* | *91,972,266* | *75,994,575* | *62,947,714* | *50,155,783* |
| Urban | 54,304,603 | 42,166,120 | 30,380,433 | 22,298,359 | 14,358,167 |
| Rural | 51,406,017 | 49,806,146 | 45,614,142 | 40,649,355 | 35,797,616 |
| *Per cent* | *100.0* | *100.0* | *100.0* | *100.0* | *100.0* |
| Urban | 51.4 | 45.8 | 40.0 | 35.4 | 28.6 |
| Rural | 48.6 | 54.2 | 60.0 | 64.6 | 71.4 |

**Improvements in transportation.** The increasing demand for an exchange of products between different industrial groups made necessary great improvement in transportation. The oxcart and the horse-drawn lumber wagon traveling slowly over unimproved dirt roads supplied sufficient transportation facilities to carry out the exchange of goods in the self-sufficing rural community. It was only a few miles from the farm, where the grains, the wool, and the meat were produced, to the weaver's or the wagon maker's or the miller's. When the artisans began to leave the rural community and to congregate in distant industrial centers for the purpose of taking advantage of power-driven machinery and more efficient factory organization, it became necessary to find some better means of carrying on an exchange of goods between them and the farmers, who had been left behind on the land. This means was provided by the railroad.

**Difficulties of early exchange of goods.** Before the coming of the railroad, there was great difficulty in the exchange of goods across long distances. This may be understood from the follow-

ing account of the transportation to the wheat fields of Ohio, where they were to be used, of the first reaping machines made by Cyrus McCormick in his little shop on his farm at Walnut Grove, Virginia, about 1844.

The sickles were made forty miles away, and the blades, six feet long, had to be carried on horseback. The first consignment of reapers sent to the West, was taken in wagons from Walnut Grove, to Scottsville, then down the Canal to Richmond, Virginia, thence by water to New Orleans and then up the Mississippi and Ohio rivers to Cincinnati.

To reach Cincinnati from Walnut Grove in those days it was necessary to make this roundabout journey of twenty-eight hundred miles (a distance greater than that from New York to San Francisco) and to do it with slow-moving wagons and slow-moving boats which consumed many weeks of time. Today a through freight train carrying hundreds of tons of freight covers the direct distance of four hundred miles in less than twenty-four hours.

The building of a vast network of railroads in the United States has resulted in bringing this efficient form of transportation within the reach of every rural community and has provided an easy means of transferring commodities back and forth between the tillers of the soil and the artisans in the industrial centers. During the period from 1825 to 1860 the building of railroads east of the Mississippi River rapidly improved the means of exchanging products between the rural communities and the industrial centers of that part of the United States. After the Civil War railroad-building went forward rapidly west of the Mississippi River and has continued until six great transcontinental lines reach the Pacific coast, and their branches and connecting systems and motor-truck transportation over improved highways have finally provided means of integrating every rural community in the United States with every industrial and commercial center on

the continent for the convenient exchange of products. Exchange is now easy by railroad, motor truck, and steamship.

**The amount of exchange stupendous.** There is no more significant factor in the evolution of economic life in America than the stupendous amount of goods now exchanged between different economic groups. The magnitude of the exchange may be better appreciated by visualizing the following: The railroad track required, including main lines, loading lines, and switches, totals 375,000 miles, or enough to wrap round the world fifteen times. The freight cars, passenger cars, and locomotives required to carry on this exchange of goods in the United States would, if coupled into one solid train, reach 20,400 miles, or nearly round the globe. One freight car is required for every eight families in the United States. These cars carry a most amazing variety of commodities. Each year more than eight thousand different kinds of commodities are exchanged between American communities by means of the railroad. The commodities exchanged in one year, amounting to one billion and ninety-six million tons, would, if loaded into freight cars, make a solid freight train reaching twelve times round the world! The tremendous annual exchange of goods between the different economic groups in America indicates the great change which the evolution of economic life has brought in America since the days of the self-sufficing family.

**Exchange of products international.** The growing exchange of goods is not confined to economic groups in America. Steamships today bridge the water gap between the railroads of the various continents. They ply across the oceans of the earth and connect all the large cities of all the continents on the globe. From every coast city of every continent, lines of railroad now penetrate the interior, branching as they go. The building of a railroad in South America, in Europe, in India, in China, in Japan, in Siberia, in Africa, or in Australia is of direct service in increasing the ease of international exchange. Today highways, railroads, and steamship lines connect the ends of

the earth and offer increasing facilities for the international exchange of products between economic groups.

**Present large exchange of products by farmer with other economic groups.** In the earlier periods the farmer carried on only a very limited amount of exchange of goods with other

SACKED PRUNES READY FOR SHIPMENT TO EUROPE BY THE CALIFORNIA PRUNE AND APRICOT GROWERS' ASSOCIATION

From Mears and Tobriner's "Principles and Practices of Coöperative Marketing." Courtesy of the California Prune and Apricot Growers' Association

economic groups. Now the exchange has become tremendously heavy. How heavy it has really become may be seen from the results of a careful investigation made recently by the writer in a typical farm community in the central part of the Mississippi Valley. The source of the products obtained by the farmer in this exchange was determined by tracing the articles found in common use in this farm community back to their original

sources. The amazing number of products produced by others for which the farmer now exchanges the limited number he produces may be well comprehended by following a farmer through the details of one day's activities.

This Middle West farmer springs from his bed, made in Kenosha, Wisconsin, at the whir of an alarm clock made in Connecticut. His rest was comfortable on a mattress made in Dubuque and between sheets made in North Carolina. He buttons suspenders made in Philadelphia to trousers made in Chicago and dons a shirt made in Omaha and a sweater knit from wool grown in Australia. Then he draws on socks made in Rockford, Illinois, and laces up shoes made in St. Louis from hides grown in Argentina. He turns the key in a lock made in Connecticut on a door made in Waterloo, Iowa, takes a milk pail made in New York State, and milks cows raised on his own farm. He separates the cream in a separator made in Wisconsin. Next he feeds oats and hay raised on his own farm to horses raised there, and harnesses them with harness made in Cincinnati from hides grown in Texas. He washes in a basin made in West Virginia, uses a towel made in Belgium, and combs his hair with a comb made in Delaware.

Then he sits down to breakfast. The coffee was grown in Brazil and packed in New York. It is sweetened with sugar from Cuba. The bacon was packed in Kansas City, the eggs are from the home farm, the salt was refined in Michigan, and the pepper was grown in the Malay Peninsula. The bread was made of Dakota wheat milled in Minneapolis. The potatoes were grown on the home farm and were fried in lard packed in Chicago. The farmer's breakfast was cooked on a stove made in St. Louis from iron mined in Minnesota. The ingredients were kept in a kitchen cabinet which was made in Indiana. His china plate was made in England and the silverware in Connecticut.

After breakfast the farmer called his neighbor on a telephone made in Chicago, over wire made in Hawthorne, Illinois, and

carried by poles grown in Minnesota. Into the making of this one scientific convenience much used in the farm home had gone the services of the platinum miner in Russia, the mica digger of the British East Indies, the gold miner of Alaska, the copper miner of Montana, the anthracite-coal miner of Pennsylvania, the growers of flax in Ireland, of silkworms in Japan, and of long-staple cotton in Egypt.

Next the farmer hitched his horses to a plow made in Rock Island. After he finished plowing he disked with an implement made in Moline, Illinois, dragged with a harrow made in Rock Falls, Illinois, and planted seed corn raised on his own farm with a checkrow planter that was made in West Pullman.

After his day's work was done, this Iowa farmer shaved with a razor made in Germany, and, with his wife, got into a family motor car made in Detroit and rode to the market town on tires made in Ohio of rubber grown in the British East Indies. Before the start one of these tires was pumped up with a pump made in Chicago. The car was propelled by gasoline refined in Oklahoma from crude oil produced in Texas. The little bill of necessaries which were purchased in a half-hour's shopping included a can of baking powder from Rhode Island, a package of raisins from California, a dozen bananas grown in Costa Rica, a package of tapioca grown in Java, powdered soap from Massachusetts, a glass baking dish from Pennsylvania, a package of tobacco grown in Kentucky and packed in North Carolina, a piece of silk from China, and some pearl buttons made from clamshells at Muscatine, Iowa.

On his return home this Middle West farmer glanced over his daily paper printed in Chicago from items gathered throughout the world by the Associated Press. He read a little in his farm journal printed in Des Moines, tuned in a radio set made in Chicago, and listened to an orchestra in Pittsburgh. Then he read a passage from the family Bible, which had come down to him across the years from the Holy Land, and retired for the night, little dreaming what a small fraction of his daily

wants are met from his own products and what a large proportion are provided for through exchanging products with other economic groups.

**Bargaining power now vital.** This greatly increased exchange of products and services between the farmer and other economic groups has greatly increased the importance of organized bargaining power in fixing the prices at which these goods and services will be exchanged. Organized bargaining power received little attention from the economists of the old school, who recognized the law of "supply and demand" as the supreme arbiter of prices. The economists of the new school now recognize that in the fixing of prices a new thing has developed called organized bargaining power, that it grows out of new conditions which have been ushered in by the great increase in the exchange of goods and services, and that it operates to fix prices within the limits maintained by the law of supply and demand.

This new thing which operates within the limits of the law of supply and demand challenges American agriculture as it has never been challenged before. It raises a definite issue for those who till the soil; the question is one of peasantry or power. The advantage now rests in a most fundamental and far-reaching way with the side that has organized bargaining power as opposed to those who do not have it.

In the days before group production and group marketing of commodities had begun on a large scale, when exchange was largely an individual matter, difference in bargaining power was looked on as an individual matter. One man was more shrewd than the other, had better business judgment and better credit facilities than the other; hence he was more successful in the exchange of commodities, within the limits of the law of supply and demand. Now that the exchange of products and services is often carried on between an organized group on the one side and an unorganized group on the other, it has been discovered that the organized group can make use

of principles of merchandising which the unorganized group cannot use and which give the organized group an advantage in fixing the prices at which the commodities shall be exchanged.

**Some factors in organized bargaining power.** Some principles of merchandising which the organized group can use to greater advantage than the individual can use them, and which give the former advantage over the latter in fixing the price at which goods and services will be exchanged between them, are as follows: (1) standardizing, grading, and trade-marking the product, (2) making the package efficient and attractive, (3) extending markets by time and place, (4) increasing consumption by proper advertising, (5) controlling the flow of the product, and (6) making the price depend on the supply at the points of consumption and not at the point of production. These factors, through which it is possible for the organized group to build up its bargaining power, are illustrated and discussed more fully in Chapter VI.

**Bargaining power developed in other industries.** So long as farm families remained largely self-sufficing or carried on the exchange of products only with unorganized producers like themselves, the question of bargaining power did not become acute with them. The law of supply and demand was accepted as a satisfactory arbiter of prices. But presently there came a change. The farm family began to supply its needs more and more largely by exchanging products with other industries. These other industries, operating as organized groups, have a voice in fixing the price at which they will exchange their products. By means of group marketing they have steadily increased their bargaining power. The farmer marketing alone found himself at a constantly increasing disadvantage. At the present time he must buy his flour, bread, packed meats and vegetables, oils, woolen and cotton goods, shoes, ready-made clothing, medical and dental service, steel products, machinery, lumber, coal, motor vehicles, and gasoline from highly organized groups, each having a voice in fixing the price at which

it will exchange its product. The situation in which he finds himself now causes the question of bargaining power to become one of first importance to the farmer. His present lack of bargaining power holds him in bondage to the tragic, one-sided exchange of goods that occurs on every American farm today. The farmer sells his products at the other man's price. He buys supplies for his family at the other man's price. He has no voice in fixing the price at which he sells or at which he buys. Multiply this tragedy on one farm by six million, and we have the tragedy of a farm group without bargaining power — a tragedy which must ultimately lead to the decay of agriculture.

The farmer cannot go back to self-sufficing methods to protect himself from the disadvantage he now suffers through lack of bargaining power. He must continue to exchange products with others. He cannot pay his present high taxes for state and county purposes, for drainage, for schools, and for roads, without selling something off the farm; he cannot buy fertilizer or pay the interest on the mortgage without selling a portion of his crop. He cannot produce to advantage at home many of the things now necessary to meet his needs. These can be manufactured to much greater advantage elsewhere. Then, most important of all, the farmer must produce at the greatest advantage, or he cannot feed and clothe the people of the rapidly growing cities. He must not stop to do things that he cannot do to advantage, or the needs of the rapidly growing urban population will remain unsatisfied. The great industrial development of our country must stop if the farmer ceases producing for exchange with others and returns to the old method of producing at home only those products with which to satisfy his own needs.

**Equal bargaining power for the farmer.** For the welfare of all it is imperative that the farmer go on producing those things which he can produce to greatest advantage and that he continue to exchange products with the highly organized industries of the cities. If he is to do this without becoming bank-

rupt, he must protect himself by organizing a bargaining power of his own which is fully equal to the bargaining power of those with whom he exchanges products.

**A program for improving rural life.** In closing this brief outline of the economic evolution of farm life in America, we will note the direction which we believe this evolution should take in the future. The following steps are necessary to the evolution of a sound, permanent, cultured rural life.

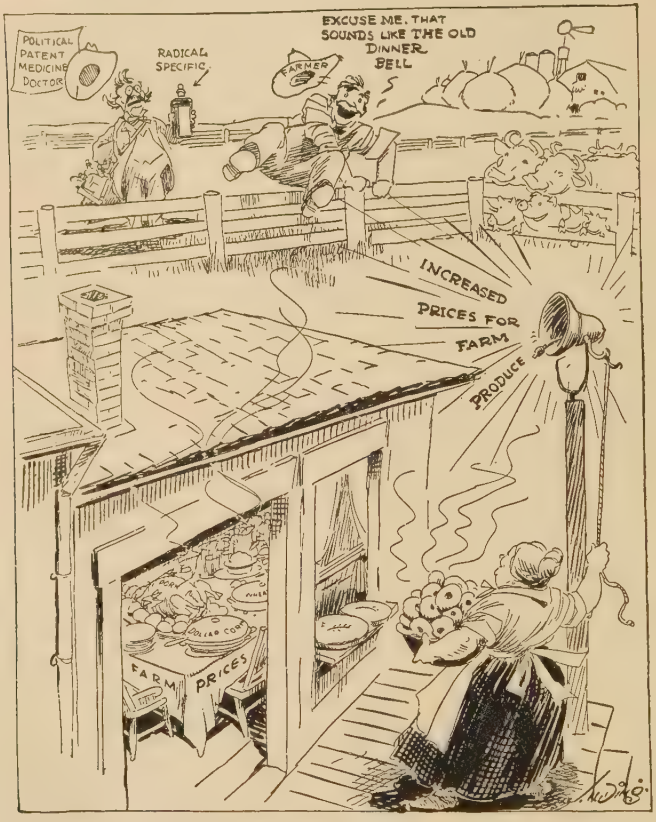
1. *Bargaining power.* The raising of the bargaining power of agriculture through sound group marketing of farm commodities to a parity with the bargaining power of other economic groups from which the farmer purchases goods and services. This is the vital first step; without it there is no means of developing those that follow.

2. *Efficient production, thrift, and economy.* The development of the most efficient methods of production in agriculture and of thrift, economy, and good business judgment in farm and home management. These are essential to a sound rural life. However, they are of no avail if lack of bargaining power permits the farmer to be constantly plucked of his rewards.

3. *Ownership farming.* The development of ownership farming through a land bank designed to convert tenants into landowners by means of long-time loans at low interest rates, the loans to be paid off out of the profits of group marketing carefully strengthened by efficient production, thrift, and economy. Ownership farming is necessary to the maintenance of soil fertility and to the best development of the farm home and the life of the rural community. It is also necessary to the building of a sound permanent foundation under group organizations for the marketing of farm commodities. Without group marketing to raise the bargaining power of agriculture to the point where farmers can secure profit enough to pay off their loans, there is little hope of increasing ownership farming.

4. *Rural culture.* The development of the three pillars of sound and enduring civilization: the home, the school, and the

church. The earnings accumulated through group marketing, efficiency in production, thrift, and economy should be invested in making the farm home convenient, attractive, and




BETTER THAN ALL THE PATENT MEDICINES IN THE WORLD
Ding, in the *Des Moines Register*

satisfying, the schools attended by the farmers' children should be the full equivalent of the schools provided for the children of any other group, and the church should be the most efficient instrument for the promotion of a virile spiritual life. In con-

nection with this attempt to build a sound and permanent rural culture the problems of recreation and of higher education for the young people must be met. To these things of home and church and school and community, which represent the higher values in life, the farm group should constantly direct its full energies. However, it is foolish to attempt to build the spires of the cathedral until a sound foundation has first been laid under them. Rural life must first build up a structure of effective bargaining power, efficient production, thrift, economy, and ownership farming; then it can build the spires of a permanent rural culture.

5. *A permanent anchorage in a competent race of people.* With bargaining power restored to the farm group; with efficient production, thrift, and economy on the farm; with increasing possibilities of ownership farming; with the improvement of homes, churches, schools, and recreational opportunities in the rural communities until they are the equivalent of those found anywhere else, we may reasonably expect that a fair share of the most competent young people will remain in rural communities. The present threat that the rural group will deteriorate in intelligence and capacity will be averted. Competent men and women will carry on the task of building a permanent rural culture on a foundation of successful business. They will pass on their task and their ideals to descendants equally competent. Thus the foundations of American civilization will be laid broad and deep and permanent. That will come true which has been written: *The farm, best home of the family, chief source of national wealth, foundation of civilized society.*

# CHAPTER IV

## LITTLE BUSINESS ON THE FARMS VERSUS BIG BUSINESS IN THE CITIES

American farmers are, man for man, the greatest wealth-producing farmers in the world. They cultivate the largest number of fertile acres per man. They make the largest use of productive machinery per farm. They create, man for man, the largest amount of new wealth from the soil each year. Although less than 4 per cent of the farmers and farm laborers of the world are on American farms, they produce nearly 70 per cent of the world's corn, 60 per cent of its cotton, 50 per cent of its tobacco, 25 per cent of its oats and hay, 20 per cent of its wheat and flaxseed, 13 per cent of its barley, and 7 per cent of its potatoes.[1]

**Successful production; unsuccessful marketing.** At the same time that American farmers are the greatest wealth-producing farmers in the world, they are also the greatest wealth-losing and the greatest land-losing farmers in the world. This is because they have failed to pay attention to the business end of farming. American farmers have paid much attention to efficient production, but they have attended to production only. They have neglected the fact that production is but one half of the business of farming; the other half is efficient marketing of the product. Successful production without successful marketing must always remain a wealth-losing enterprise. Until the American farmer becomes as efficient in marketing as he now is in production, he must remain a wealth-losing farmer, and American agriculture will continue to be a wealth-losing industry.

[1] Year Book of the United States Department of Agriculture, 1921.

The United States census records show that ownership of the farm land is constantly slipping away from American farmers. Increasing farm tenantship and increasing mortgage indebtedness against farm lands tell the tragic story that the greatest wealth-producing agriculture in the world has also become the greatest wealth-losing agriculture in the world.

The striking fact about this whole situation is that it has been brought about by a change which has taken place away from the farms rather than on them.

This change which has made agriculture a wealth-losing enterprise has taken place in the industrial centers. The industries with which the farmers exchange products have forsaken individual marketing for group marketing. They have organized big business. By this means they have greatly increased their bargaining power.

The farmer has made no such advance. He still markets his products on an individual basis. He is still engaged in little business. Because other industries have advanced to group marketing while the farmer has retained individual marketing, they have gained the advantage over him in bargaining power.

The development of bargaining power through group marketing in the other industries had no effect on the farmer so long as he remained self-sufficing; the moment he ceased to consume his own products at home and began to exchange them with others he began to be affected by what was happening away from the farm. This exchange of products introduced the other fellow. Presently the other fellow developed into big business, which increased its bargaining power through group marketing.

From the time when the farmer began to exchange products with others, the *other fellow* became the most important factor in the economic affairs of the farm family. Previous to this time the farmer's prosperity had been dependent only on his own industry and thrift: no one could reach him from the outside to affect his prosperity. But when he began to exchange

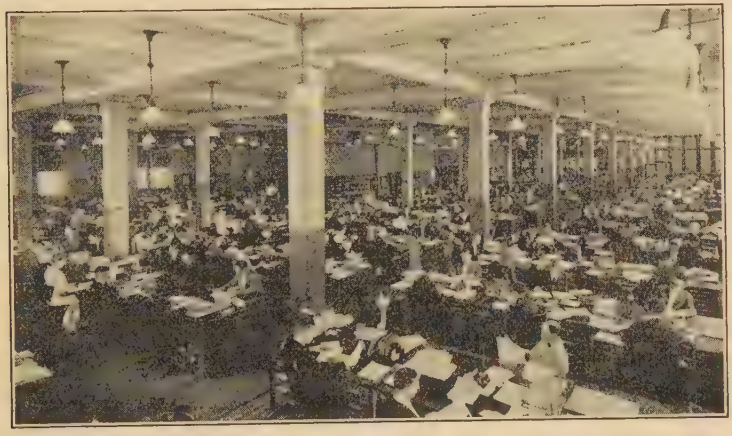
products with the other fellow, his prosperity became dependent on the price he received for what he had to sell as compared with the price he paid for what he had to buy. From the moment the other fellow came on the scene, farming took on a second side — the marketing side. From that time forth the business of farming had two sides: the production side and the marketing side.

In the beginning those with whom the farmer exchanged products marketed individually, just as did the farmer. Individual marketing by the other fellow balanced individual marketing by the farmer, and the conditions which governed bargaining power were equal between the two.

Then came the time when the other fellow discovered that group marketing was more efficient for him than individual marketing. He discarded individual marketing for group marketing. Organized capital changed from individual marketing to group marketing four generations ago; organized labor changed from individual bargaining to collective bargaining two generations ago. With the change of organized capital and organized labor from individual marketing to group marketing, the old equality of bargaining power which existed when both the farmer and the other fellow marketed individually was gone. The other fellow marketing on the group plan — big business — had increased his bargaining power; now he could stabilize his prices at a point which would yield a profit; the farmer marketing individually — little business — was now at a disadvantage in bargaining power and was forced to accept a wide fluctuation in prices with little profit.

Conditions within the industry of agriculture make it desirable for the farm family to continue to produce as an individual unit. It is highly desirable that it should own the land it cultivates. Ownership farming and individual farm management result in building up the fertility of the farm land, in improving the farm home, and in strengthening the life of the farming community. Ownership farming and individual management

naturally lead to production by the farm family as an independent unit. Because the farmer produces individually there is no reason why he should market individually. Individual production and group marketing go well together. However, individual production has made the farmer slow to break away from individual marketing and begin group marketing. But this is exactly what he must do if American agriculture is ever



BIG BUSINESS IN THE CITY

The general office of the selling department of a large corporation. (Courtesy of Howard Copeland Hill)

to be again a wealth-holding agriculture. There is nothing incongruous or inimical to society in individual production coupled with group marketing by farmers. And farmers must learn a lesson from the success of the other fellow with group marketing. They must learn how to organize group marketing to fix the price of their products to the other fellow just the same as the other fellow has now organized group marketing to fix the price of his products to the farmer. Then bargaining power will be in balance again between the two: the group marketing of the other fellow will be balanced by the group marketing of the farmer. Then the American farmer will again

be on an equal basis with organized industry, big business on the farm will balance big business in the city as to profit taking, and American agriculture will become again a wealth-holding industry as well as a wealth-producing one.

**A comparison of earnings.** That the farmer marketing individually cannot maintain his earnings on a parity with those of an organized group marketing collectively is well illustrated by the earnings of corn land as contrasted with the earnings of United States steel. Both of these produce basic commodities which are indispensable to the economic welfare of the American people. Recent studies show that corn land is earning, after a pitifully small wage has been deducted for the labor of the farmer and his family, about 3 per cent a year on the average; that is, $3 on $100 invested in corn land. "And this does not allow for depreciation and depletion. If depreciation and depletion had been deducted, as well they might, the farmer's returns upon his investment must almost have disappeared."[1] Here is the reward of individual marketing. This is the profit of little business.

In contrast to the earnings of corn land let us note the earnings of steel. The common stock of the United States Steel Corporation (one of the largest corporations in the world) earned, according to a recent report, about 10 per cent on its market value. And this after allowance had been made for depreciation and depletion and for an average wage to steel workers of three times the average wage per farm family in the United States.

American Locomotive is another thoroughly organized big business marketing by the group plan. It shows a still greater advantage over corn land in earning power. This flourishing big business was organized in 1901 by combining nine locomotive plants controlling, says Moody, 70 per cent of locomotive-building in the United States. In 1923 it split up its 250,000 shares of common stock into 500,000 shares, giving stock-

[1] Address by F. O. Lowden.

holders two new shares for each share held. The earnings of American Locomotive in 1923 were reported by *Barron's Weekly* as equal to $21.25 a share on the 500,000 shares of common stock, or $42.50 a share on the 250,000 shares of stock before they were split. Here is the reward of group marketing. This is the profit of big business.

The little farm family on a little piece of corn land, producing and marketing corn individually in such fashion as to earn $3 on each $100 invested in land, live stock, and machinery — this is little business. American Locomotive with $46,000,000 of working capital and ample reserves, producing and marketing locomotives collectively in such fashion as to earn $42.50 per share on its undivided common stock — that is big business.

Commenting on this whole situation the *Des Moines Register* (1924) says editorially:

> Now the big freight shipments of the United States are shipments of farm produce, and it is on these shipments that railroad prosperity is built and American Locomotive prosperity. The question naturally suggests itself, How has the farm fared since 1901 with American Locomotive?
>
> If the farm has not fared with American Locomotive, has American Locomotive discovered something about marketing that the farm has not? If what American Locomotive has discovered is inimical to society, then how are we going to be rid of it? If it is not inimical, then how is the farm to appropriate it?
>
> That these are questions of immediate and pressing importance to the corn belt everybody certainly must recognize, for who can see any signs of such revival for the corn belt as are plain for railroading and American Locomotive?
>
> The farm and American Locomotive are getting on a totally different scale of earnings, and once that is accepted as the settled thing it will be hard to break.
>
> In speaking of the farm let nobody confuse himself for a moment about who the farmer is. He is everybody whose fortunes are tied up in the prosperity of the Mississippi and Missouri Valleys. For

those two valleys have no other notable resource but corn land, and if corn land does not pay on a scale comparable with other business the result will mighty soon appear everywhere in the two valleys.

It is not merely for the man who raises corn in these two valleys, it is for the land owner, the banker, the manufacturer, for everybody. Corn must be either put on the market on a parity with railroad locomotives or within the time of one generation the difference will begin to show itself in unmistakable ways.

The Mississippi and Missouri Valleys are the limited seat of production of one of the most indispensable natural products of them all. The question is, whether there are brains enough in the two valleys to do one of two things, either to bring the earnings of American Locomotive to the level of corn earnings or to boost corn earnings to a level with American Locomotive earnings.

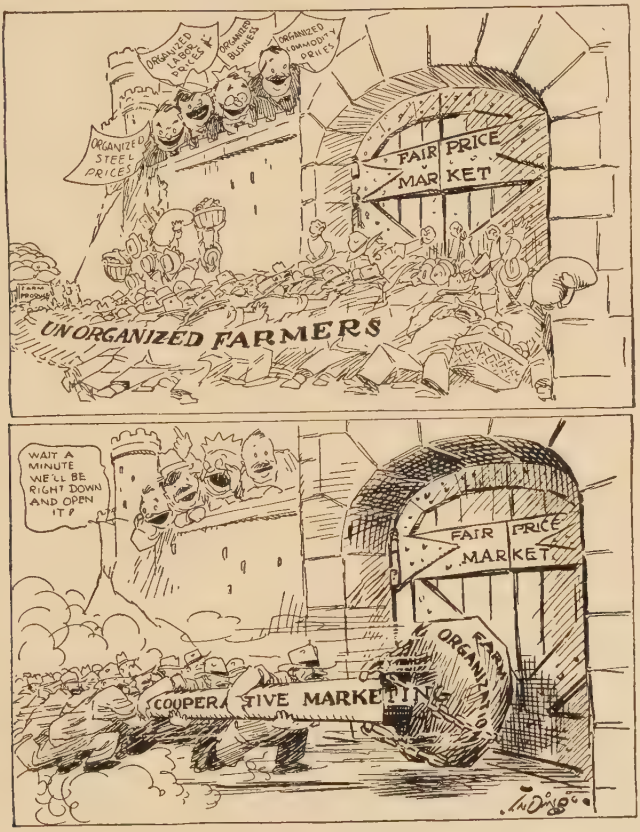
For parity must be won in one way or the other, if the most magnificent agricultural valleys in the world are not to go the way of all other farm areas since man first began in the fertile valleys of the Euphrates and the Nile.

**A large fraction of the commodity controlled by group marketing.** Group marketing is effective because it controls a sufficiently large fraction of the commodity to permit it to have a hand in fixing the price at which it will offer the commodity on the market.

**A small fraction of the commodity controlled by individual marketing.** Individual marketing is weak because it controls so small a fraction of the commodity under one marketing head that it cannot merchandise effectively. It does not control a sufficiently large fraction of the commodity to permit it to have a hand in fixing the price at which it will offer the commodity on the market.

Group marketing is practiced by corporate big business in the cities. To do this men, money, and management are marshaled in a giant organization so big that it can control a large fraction of the commodity. The group which has this control can better check overproduction of the commodity and can apply the principles of merchandising so effectively as to have

a hand in fixing the profit which will be taken in exchanging the product. American Locomotive, controlling 70 per cent of locomotive production and taking a profit of $42.50 per share on




THEY ARE HELPED BEST WHO HELP THEMSELVES

Ding, in the *Des Moines Register*

the undivided stock, illustrates the profit which it is possible for group marketing to take when it is thoroughly organized.

On the other hand, individual marketing as practiced by the little farm family controls a very small fraction of the total

production of a farm commodity. The average farmer controls less than one-millionth part of the production of corn. This fraction is so small that he cannot exercise effective control to check overproduction. He can have no part in determining what profit will be taken in exchanging the commodity. The corn-raising farmer who controls less than one-millionth part of corn production and receives a profit of 3 per cent on corn land illustrates the weakness of individual marketing.

The advantage that group marketing has over individual marketing has caused an increasing proportion of business in America to unite in corporate form for better profit-taking through group marketing. The invention of the share of stock has made this easy to do. Through the sale of more stock (or the exchange of shares) more men and more money can be quickly and effectively united under one management. The larger the fraction of the commodity controlled by those united under one management, the stronger is the organization's position for the taking of profits; hence big business grows bigger.

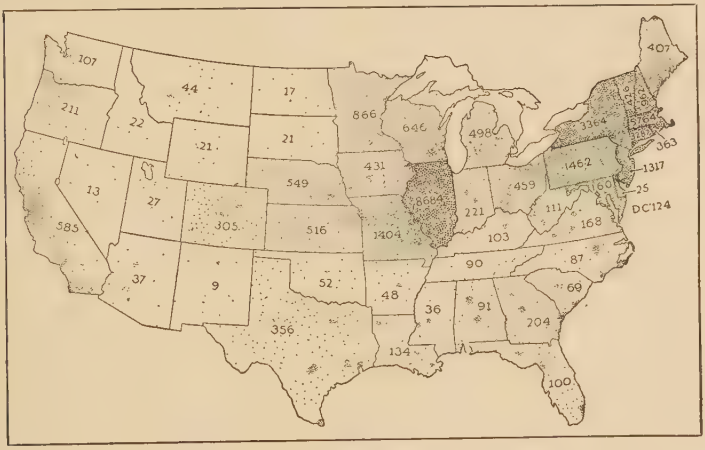
**The rapid growth of big business.** The movement to unite more men and more money in big business in order that big business may still better control the factors that enable it to merchandise profitably and may also secure the interested support of a larger group of people is making phenomenal progress in the United States. The individual business and the partnership are rapidly passing out, and the corporate form of business is taking their places. In 1900 the number of shareholders in corporate big business in the United States was approximately 4,500,000; by 1923 the number had more than trebled, rising to approximately 14,500,000.

*Collier's*, in a recent editorial, says:

> Society was formerly divided into two classes: Men of Millions — the Capitalists; and Millions of Men — the Public. But the Millions of Men are rapidly being graduated into the ranks of Men of Millions. Examine the list of stockholders of big corporations. Millions of men now own Big business.

There is great significance in the fact that the number of shareholders in big business in the United States is now more than twice as great as the total number of farmers. There are 6,500,000 farmers and 14,400,000 shareholders in big business.

**Big business here to stay.** Efforts to tear down big business in the past through hostile legislation and attacks in the courts have failed, because big business is the most efficient




DISTRIBUTION OF OWNERSHIP OF THE STOCK OF A LARGE CORPORATION — A BIG PACKING CONCERN

The figures indicate the number of shareholders in each state. Some of the stock is owned by people living in foreign countries. (Courtesy of Howard Copeland Hill)

form of business and because many people working together under highly efficient management can accomplish their purpose more effectively than any one of them working alone can do it. This fact is slowly taking root in the public mind, with the result that the attitude of the public is gradually changing from open hostility to a rush to join fortunes with one or more of these great organizations for the purpose of participating in their benefits. As the number of people having a personal interest in the success of big business as stockholders increases,

Congress and state legislatures and the courts become more solicitous for their welfare. Big business is here to stay.

Big business will control an increasingly larger fraction of the commodity, it will have increasingly greater bargaining power, it will merchandise effectively, and it will secure a good profit. Farmers can afford no longer to blink this fact.

**The tragedy of little business.** In contrast to big business the little farm family marketing individually controls a very small fraction of the commodity. It cannot check wasteful overproduction, it cannot merchandise effectively, it cannot secure a fair profit, and must continue to sell and buy at the other fellow's price. So long as this continues, the greatest wealth-producing agriculture in the world must remain the most *wealth-losing* agriculture in the world. This is shockingly poor business. It is inexcusable inefficiency in business. It is a national tragedy.

America is now asking how has it come about that the American farmer on the best farm land in the world, using the most productive machinery per farm in the world, and educated for productive efficiency, is now a wealth-losing, land-losing farmer. The actors in this national tragedy of bad business on the farm are now perfectly obvious. One is little business on the farm; the other is big business in the cities. In the exchange of products between the two, well-organized big business marketing by the group plan has an increasing advantage over unorganized little business marketing by the individual plan. The result is the depreciated buying power of the farm and the increasing landlessness of American farmers. Tenantship constantly increases on the farms. Mortgage indebtedness constantly piles up against the farm lands. The United States census records reveal the ominous fact that the farmer is no longer able to pay his way; that, decade by decade, he is losing the ownership of the land on which he labors.

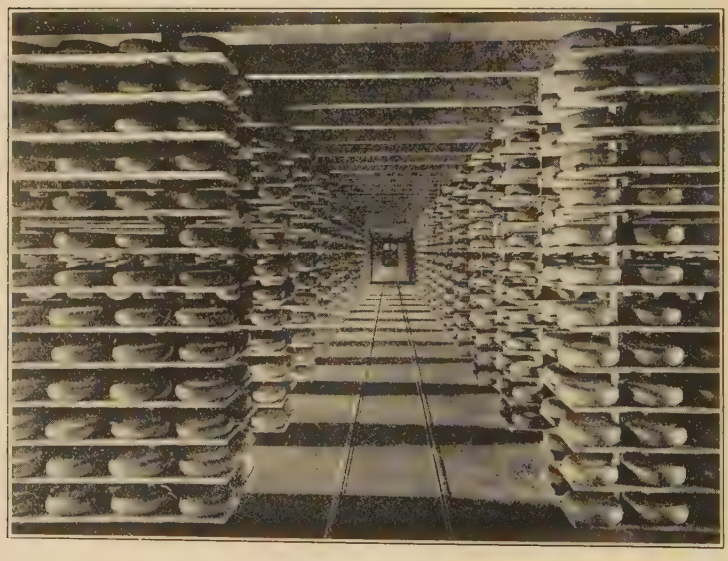
**The story of the tragedy.** The story of this national tragedy is soon told. One stood still, and the other grew. The little

farm family on a little piece of ground has remained the little producing and marketing unit of American agriculture that it was in the beginning. There has been little change from the earliest days of the Republic. It is the same today that it was one hundred years ago: a little family with little working capital marketing so small a fraction of the commodity that it cannot merchandise this profitably in the exchange of products with the other fellow, who employs group marketing.

On the other hand, since 1812 the business organizations in the cities have constantly evolved into larger and more powerful forms. The little family in its little workshop or little place of business in time became the local "company." The local company was simply more persons and more capital banded together for mutual self-help in producing and marketing more effectively by the group plan. Soon the company took on modern corporate form and grew larger. A greater number of persons and a greater amount of capital were banded together to secure greater savings through group production and group finance and to secure greater bargaining power through group merchandising.

**The fatal gap.** Between the profits taken by big business through group marketing and the profits secured by the farmer through individual marketing there is a serious gap. This gap is fatal to agriculture. Through it agriculture is being bled white. Through this gap between the price the farmer receives for what he has to sell and the price he must pay for what he has to buy, the ownership of the farm land is slipping away from him. Through this gap he is losing his power to purchase a decent standard of living. Through this gap the fatal hemorrhage of intelligent youth from the farm goes on. This gap creates the tragic anomaly — that the greatest wealth-producing farmer in the world has become the greatest wealth-losing farmer in the world. Group marketing by the business men of the cities opened the fatal gap; persistence in individual marketing by the farmers keeps it open.

**Closing the fatal gap by patterning after big business.** Should not the young people of American farms who are about to take charge of the most wealth-losing agriculture in the world make a desperate effort to close the fatal gap? Should they not follow the example set by big business in the cities and secure for



BIG BUSINESS ON THE FARM IN HOLLAND

Cheese warehouse of the Coöperative Producers' Trading Association, Gouda. (From Mears and Tobriner's "Principles and Practices of Coöperative Marketing")

themselves the bargaining power that results from the most efficient form of marketing? Should they not learn from the successful examples set before them by big business in the cities all those things which will contribute to the success of their own business? Should they not appropriate to their own use those means which have made big business successful? Should they not pattern after big business and build bargaining power for themselves by adopting its methods?

**Importance of the competent manager.** And when young farmers study big business in order to make use of the means which have made it successful, they will find that there are other factors necessary to success in addition to mere bigness. Bigness gives control over a big fraction of the commodity, and this gives larger control over the amount of production and makes possible the use of the most efficient methods of merchandising. But the control of a big fraction of the commodity is of little avail unless the manager knows how to merchandise effectively, and bigness in the organization may become a liability unless he knows how to develop a high state of morale in the personnel. Hence, big business recognizes the supreme importance of the manager. Big business goes out and gets a manager as big as the industry. Big industry demands brains and experience and untiring effort in its manager. It will tolerate nothing less. Young farmers should note well the fact that the highly competent manager is a factor of supreme importance in the success of big business.

**Creating morale in a big organization.** When many persons work together a very important duty of the manager is to develop a high state of morale among them. An inkling of the tact and care which the able manager gives to this delicate problem may be obtained from the address which President DuBois of the Western Electric Company recently delivered to the forty thousand employees of his company by radio:

> Today we work in larger groups than our forefathers, because no one person and no small group can design and make and assemble and test and finally sell our finished product — the product which makes neighbors of a hundred million of our fellow citizens. In the great scheme of modern life, you and I are doing our full part. We are not parasites nor slackers. We are useful people. That alone makes our lives worth while. And because the work of each of us depends upon the skill and faithfulness of others, none of us can be sufficient to himself.

The manager of big business not only must develop a high state of morale in a big organization, but he lies awake nights thinking how he may improve methods of production and thus decrease the cost. He must give great care to grades and grading in order to improve his product, he must know packaging

BIG BUSINESS ON THE FARM IN CALIFORNIA

Central packing plant of the Sun-Maid Raisin Growers' Coöperative Association, Fresno. (From Mears and Tobriner's "Principles and Practices of Coöperative Marketing")

and advertising to present his product to the buying public most favorably, and he must provide for financing, warehousing and distribution. He constantly studies the conditions of supply and demand in all possible markets that he may fit supply to probable demand and be able to merchandise the commodity most profitably. In other words, the manager of big business represents the highest grade of brains and experience. He represents more than this: he represents the highest grade of

brains and experience applied most intensely and most unceasingly to the problems of producing, processing, financing, and merchandising.

**The need of equally competent management for agriculture.** It is vain for agriculture to hope to merchandise its commodities on a parity as to earnings with big business until it puts equal brain power into the management of its business. The average farm family is so occupied in the labor of production that it can give little time or intense thinking to the marketing side of the business. The farmer rises early and toils at production throughout a long day. His mind is busy with the problems of producing. He has neither the time nor the means to gather constantly the necessary information about market conditions throughout the world. He gains no experience in marketing through laboring at production. "He cannot become expert in merchandising by following a plow and looking at the hind end of a horse all his life." It is practice that makes perfect, and under these conditions the farmer gets no practice in group merchandising. His practice in individual dumping teaches him nothing. At the close of day his bodily energy has been consumed in heavy labor. He is tired with the work side of production. His mind has become sluggish, and he is too physically tired to lie awake at night planning how to develop efficient bargaining power that he may merchandise at a profit what he has produced. He is neither able to plan nor to execute. Such a farmer needs the services of an expert manager to work out the intricate details of grading, processing, financing, and merchandising for him.

**Intelligent coöperation with the skilled manager.** Before farmers can afford to employ a skilled manager they must be organized into a large group for marketing. One farmer alone cannot meet the expense of a marketing expert or supply a large enough fraction of the product to make his work effective. Before farmers can be organized for group marketing on a large scale they must understand the machinery of group marketing

and how it is set up. To understand this intricate problem most readily and most intelligently they should be instructed in it in youth, when they are making their educational preparation for life. They should learn at that time the form of the organization: its functions, how it works, why it must work that way, the responsibilities of the members toward the group, the difficulties which must be met, why these must be met, and how they must be met. Then the farmer will be able to increase his bargaining power through effective group marketing, although he is daily engrossed in the labor of production; then he can think in line with the best interests of the group and can coöperate intelligently and willingly with the highly skilled manager employed by the group to do the highly technical and skillful thinking necessary to the most profitable group merchandising.

This is the means used by the Danish farmers, who are too busily engaged in the labors of production to take personal charge of the marketing side of their business: they hire a marketing expert to take care of this end of the business for the group. This is also the means used by the citrus growers, the raisin growers, the tobacco growers, the cotton growers, the milk producers, and all other progressive groups of farmers in America who are organizing to apply the best group-merchandising methods to the marketing of their commodities through a skilled manager while they go on giving their own best efforts to production. If the individual producers will stick to their group marketing intelligently, courageously, steadfastly, through thick and thin, this is the most effective means known of increasing the bargaining power of the farm.

**Credit for warehousing.** In connection with the service of the manager we should note that in nearly every instance the individual farm family marketing alone lacks satisfactory storage space and the necessary credit to carry its product over from the flush season, when the price is low, to the lean season, when the price is better. Storage space and the necessary

credit cost the individual farm family so much that they often take the profit out of extending the market in time; hence individual farm families continue to dump against one another with a great loss to all concerned. On the other hand, big business, handling a big volume of product, is in a position to provide storage at a much cheaper rate and to secure through its manager group credit on much more advantageous terms, thus adding these savings to the profits realized by carrying the commodity over from the period of excess to the period of shortage.

**Public support.** Young farmers studying successful examples of big business to make themselves successful in the marketing side of farming should note that not only are men, money, and management necessary to successful group merchandising but public support is also essential.

The little farm family operating alone numbers only a very few people who are personally interested in the welfare of that particular business. They can do very little to secure, through legislative action and the pressure of public opinion, favorable tariff schedules, favorable export facilities, favorable consideration by the Federal credit agencies, or favorable rulings by freight-regulating commissions. Public support is very essential in all cases in which the economic machinery needed must be set up by political means.

By way of contrast the big business organization often numbers among its stockholders and employees many thousands of persons who are personally interested in the welfare and protection of the business. Big business often joins hands with big business in seeking favorable legislative action. The larger the number of individuals interested directly or indirectly in the success of the business, the more favorable treatment the business will be able to secure from economic agencies established by political means.

**Little business and big business defined.** Little business on the farm may be defined, then, as a little group of people in the

form of the family, with little working capital, little credit facilities, and little public support, producing and marketing a little fraction of a commodity with little skill in merchandising, with little bargaining power, with little stability in prices, and with little profit. Big business in the city may be defined as a big group of people in the form of a corporation, with big working capital, big credit facilities, and effective public support, producing and marketing a big fraction of a commodity with great skill in merchandising, with effective bargaining power, with stabilized prices, and with a good profit.

**The modern corporation a business giant.** The lesson to be learned by the young farmer is that the modern corporation is a business giant organized to reap the better profits to be secured through group production and group marketing. The body of this giant is composed of millions of dollars of working capital contributed by thousands of shareholders, who unite their funds and their personal interest and support in this vast organized body, the better to accomplish their purpose through group action. The head of the giant is the manager and the board of directors. This head represents the best brains and education and successful business experience that money can buy. It determines the business policies, directs the activities, and stimulates the morale of the entire group. The limbs of this giant are composed of highly organized and efficiently disciplined laborers and office workers. Often there are many thousands of these. In most instances they are stoutly knit together into labor unions. The control and coördination in this huge organization is in the main autocratic, from the head down, like the control of a well-disciplined army by the commanding general and his staff. Stockholders are entitled to vote in proportion to the number of shares held by each. Usually a majority of the voting strength is controlled by the board of directors at the top. Business in the cities is more and more taking on this giant corporate form, which gives it greater efficiency and enhanced bargaining power.

The farmer has been slow to pattern after big business in the cities for several reasons. He has not understood the legitimate advantage in bargaining power which may be gained by organizing big business. He has found it much more difficult to organize farmers who operate separate pieces of land into efficient big business than it is to organize the investing public through the sale of shares of stock. But, most significant of all, the farmer has not patterned after big business in the past, because he was not forced to do it. The history of the coöperative-marketing movement is everywhere the same. Farmers will hold on to the old way of individual marketing as long as they can survive. They will not change to group marketing until they are literally forced to it by dire necessity. It was so in Denmark, so in California, and so among the tobacco and cotton growers of the South.

As nature surrounded American farmers originally with a plentiful supply of cheap fertile land and with other conditions that make for bountiful production, they have been slow to look after their business interests in the exchange of products with others. It has been "easy come, easy go." For this reason American farmers have been easy plucking; they could be plucked deep and still live to produce more. Hence in the process of exchange a scale of prices for farm products has grown up which did not take into consideration the true cost of producing them. Now that the cheap land is gone and much of the original fertility has been taken from the soil, it is necessary to increase the bargaining power of agriculture and to revise the exchange price of farm products. In addition to the cost of running the farm these prices must now be made to cover such important items as a large capital investment in land and the cost of replacement of soil fertility; otherwise the farmer must continue on the road to bankruptcy. No business can operate indefinitely on returns that are less than the cost of production.

Recognizing that a crisis exists in the economic status of the farmer and that his bankruptcy would be disastrous to the

commonwealth, the legislatures of forty states and the national Congress have recently passed "enabling acts" sanctioning the coöperative marketing of farm products. This gives the farmer the legal right to pattern after successful big business in the cities in the group marketing of farm products.

**A house divided against itself.** With corporate group marketing flourishing and constantly growing bigger and stronger in our American cities, and with individual marketing still in vogue among most American farmers as it was a hundred years ago, we are as a house divided against itself. Such a house cannot stand permanently. We may say with Lincoln, that we do not expect the house to fall, but we do expect it will cease to be divided. It must become all one thing or all the other. The whole set of the forces of this evolving universe indicates that the readjustment will come in the direction of the survival of the fittest. Big business, with its greater bargaining power, will survive; little business, with its little bargaining power, must give away. Group marketing must be organized in agriculture as it has been done in all other great industries.

**More brains and education and organized business.** It is no use for farm people to be bitter about this. Bitterness avails nothing; it only beclouds the mind and prevents effective action. A farm hand from a farm in the Middle West where work began before sunrise and ended after dark, and where the wage was $30 a month, found himself thrown in contact with a young business man in Chicago. This young business man bought and sold farm products after they had been dumped on the market by farmers. He lived in fine style, worked a short day, and thought nothing of spending as much for a dinner party or a theater party as the farm hand earned in a month of labor from daylight to dark. The farm hand was inclined to be intensely bitter about the fact that those who worked so hard to produce the new wealth from the soil should have so little of it and that those who worked so little to produce the new wealth should have so much of it. On studying the situation he

discovered presently that the reason the business man enjoyed prosperity was that he had *organized business, brains, and education.* There is no use being bitter about this situation; the remedy is more organized business, better education, and more brain work on the farm and less dumping of farm products.

In the cotton fields of the South barefooted white women and children work beside the men in an effort to squeeze out a bare existence from the sale of their cotton. In the city of New Orleans the daughters of cotton brokers, who buy and sell the cotton which unorganized farmers dump on the market at picking time, attend society functions at which the ball gowns, to be worn but once, cost more than all the clothes that one of those toiling barefooted mothers in the cotton fields has had in her entire life. There is no use being bitter about this. The remedy is more organized business, better education, and more brain work on the farm and less dumping of farm products.

**Big business balanced by big business.** The most effective answer to big business in the city is equally big business on the farm. The most effective answer to group marketing in the city is group marketing on the farm. The most effective way to put the earnings of agriculture on a parity with the earnings of big business is to organize agriculture so that it can make use of the same principles of group merchandising which big business uses so effectively.

**Santa Claus won't balance the bargaining power.** The little farm family marketing alone cannot make use of the principles of merchandising used by big business. It is sheer foolishness to ignore this fact any longer. It is useless for the farmer any longer to hope that Santa Claus or the weather man or some good fairy will reëstablish a balance in bargaining power between group marketing on one side and individual marketing on the other. Economic laws, as certain in their results as the law of gravitation, are at work to give those who make use of group marketing an increasing advantage in bargaining power over those who continue to market individually. This is inevitable.

The American Exchange National Bank of New York says in a recent bulletin:

> It is obvious that the chief handicap under which farmers are forced to work arises out of the fact that all other branches of industry have reached relatively advanced stages of organization through which they have gained advantage over farmers in bargaining power as well as in the general economy of operation. The only solution of the farm problem that is consistent with the institutions of our country lies in the direction of effective organization.

**The whole situation changed by group marketing.** The whole situation can be changed when producers of a given farm commodity unite men, money, and management for the production and marketing of the commodity. To be effective this union must include a sufficiently large number of the producers of the commodity to enable them (1) to control a major fraction of the commodity and (2) to employ a skilled manager.

But the whole undertaking goes down like a house of cards unless the individual farmer members have a sufficiently intelligent understanding of the problem, sufficient courage, and sufficient steadfastness to stick through thick and thin until their organization has learned to creep, to walk, and at last to run in the exacting race of business.

If they have enough gumption and enough business acumen, the producers of a farm commodity can make successful use of group merchandising and can put their own profits on a parity with the profits of other big business, thus closing the fatal gap through which agriculture is being bled white.

**Coöperative, not corporate.** Group marketing on the farm is best accomplished through a business organization that takes the coöperative form; group marketing in the cities is best accomplished through business organizations that take the corporate form. Group marketing on the farm takes a different form of business organization from group marketing in the city, because the producing properties of agriculture differ in a basic way from those in other industries.

The *corporate* form of organization is best in those industries where the producing properties — mills, factories, mines, railroads, stocks of goods, investment moneys, etc. — are of such

EVEN THE BEST FRIEND IN THE WORLD CAN'T DO THE REST OF IT FOR HIM

Ding, in the *Des Moines Register*

nature that they are most advantageously owned in common by the shareholders. Organizations founded on the share of stock center in the cities.

The *coöperative* form of organization is best in an industry

like agriculture, where the producing properties — land, live stock, and machinery — are of such nature that they are most advantageously owned and operated in separate units by the different farm families. It is highly desirable that each farm family should own the farm it operates, because ownership farming results in better maintenance of farm fertility, in better farm homes, and in better farm communities.

The farm families which join together in the group organization for marketing a given commodity continue to operate as separate producing units. All the members of the group pool their commodity and their credit resources, and merchandise their commodity through one central selling agency under the direction of a skilled manager whom they employ. This is group marketing in agriculture; this is big business on the farm. This gives the little farm family operating a little piece of ground bargaining power equivalent to that of the city business man in his big corporation, just as the invention of gunpowder made the man on foot as big as the man on horseback.

Then when Standard Oil says, "Gasoline is going up a cent today," American Corn can reply with equal authority, "Yes, and corn is going up a cent today too."

We must emphasize again, however, the fact that these results cannot be achieved by individual farmers until they are able to stick together in group-marketing organizations. They cannot stick together until they have developed the coöperative virtues of intelligence, faith in one's fellows, willing obedience to self-chosen authority, a sense of economic values, loyalty to the group, and undaunted courage.

Group selling — when farmers have learned to stick together in organized big business on the farm — will make the American farmer as proficient in marketing his commodities as he now is in producing them. He will become master not of one side of his business but of both sides — of marketing as well as of production. He will thus increase his purchasing power to the point that he can buy and finally pay for the land on which

he labors. He will add to the rural community the strength that comes from ownership farming. His increased purchasing power will enable him to purchase a decent standard of living and a fair share of culture for rural life. His increased bargaining power will attract to the land a fair share of the most competent young people. The increased purchasing power of the farm will stimulate business in the country towns in a wholesome, permanent way. This in turn will stimulate business in the cities in a sound and wholesome way. The pyramid of American prosperity will then stand on a broad, secure base resting upon the soil where the new wealth is created. Then all America will profit permanently from the fact that the greatest wealth-producing farmer in the world has become what he ought to be — the greatest wealth-holding farmer on the globe.

# CHAPTER V

## COÖPERATIVE BIG BUSINESS ON DANISH FARMS

All the world is going to Denmark at present to study the success of her coöperative agriculture. Danish farmers have made organized agriculture the biggest business and the most prosperous business in all Denmark. Big business as now established on Danish farms is just as able to hold its own as the biggest corporate business in any city of Denmark. Through coöperative marketing and coöperative credit and coöperative education the Danish farmers have made themselves the most wealth-holding, the most land-owning, and the best-educated farmers in the world.

**Up from serfdom.** To get the full significance of the above statements it is necessary to review briefly the history of Danish agriculture. One hundred and thirty-eight years ago Danish farmers were serfs bound to the land and sold with it like the cattle and the farm buildings. They had felt the chains of serfdom for six hundred years. In 1788 they were liberated by Prince Regent Frederick. These free serfs were much like the freed negroes in the South. They owned little property and practically no land. As late as 1866 the situation existed that 4 per cent of the people of Denmark owned 80 per cent of the land. To make matters worse the landless Danish farmers were forced to wring an existence from a poor, thin, unproductive soil.

**Down from the lap of the gods.** By way of contrast, one hundred and thirty-eight years ago (in 1788) the American farmers were just ratifying the new constitution of the United States, which made them the most favored of freemen. There lay waiting for them on the new continent the largest amount

SVEND HÖGSBRO, THE FATHER OF DANISH COÖPERATIVE ENTERPRISE

Monument erected to his memory by Danish coöperative associations. (From "Rural Denmark and Its Schools," by H. W. Foght. Courtesy of The Macmillan Company)

of untouched fertile farm land in the world. This might be had free for the taking or at a very low price per acre. Starting with favorable political conditions and with almost universal land ownership, made possible by the plentiful supply of virgin land, American farmers have gone steadily downhill in the ensuing one hundred and thirty-seven years until they have now become the most wealth-losing, the most land-losing, and the most intelligence-losing farmers in the world. This is the tragic result of little business on American farms.

**The success of coöperation in Denmark.** Driven by bitter adversity and by grinding necessity the Danish farmers banded themselves together to try to help themselves through group marketing of their products. They made many failures. Finally they began to find the way to success. Patient, continuous effort for the last seventy-five years has been rewarded by the perfection of the most successful coöperative merchandising of farm commodities to be found among the farmers of any nation in the world. During the years that American farmers have been going steadily downhill, the Danish farmers, by means of coöperative marketing, coöperative credit, and coöperative education, have lifted themselves from the very bottom of the hill to the very top. The farmers of Denmark, who one hundred and thirty-seven years ago were almost universally landless tenants, are now almost universally the owners of the land they cultivate (less than 5 per cent remaining landless); man for man, they have become the richest farmers and the best-educated farmers to be found in all the world today. This is the result of organized big business on Danish farms.

**The cardinal points of organized agriculture in Denmark.** The cardinal points of organized big business by which the Danish farmers have been so successful in helping themselves are as follows:

1. *The commodity the basis.* Group marketing of farm products is organized on the commodity basis. The business organization for producing and marketing a commodity deals

only with that one commodity. It handles practically all of that commodity produced for market in Denmark. The chief commodities produced for market by Danish farmers are bacon, butter, cheese, milk, eggs, and poultry. A farmer belongs to as many commodity associations as he produces different commodities for market. If he produces bacon and butter for market, he belongs to a bacon coöperative and to a butter coöperative. Since farming is diversified in Denmark, the farmer usually belongs to several different commodity associations. There is a great central marketing association for each farm commodity produced for market in Denmark. Associated with this central marketing channel are the hundreds of local coöperating groups of farmers in different parts of Denmark who are engaged in producing this commodity. The total of local coöperative groups associated with the centrals for the different commodities amounts to several thousand. These local groups include in their membership practically all the 227,000 farmers of Denmark.

2. *Vertical plan from farm to consumer.* These great central marketing associations that have made organized agriculture the biggest and most successful business in Denmark are organized on the vertical plan; that is, each controls its commodity all the way from the farmer's field to the consumer's table through a chain of processes which include producing, grading, manufacturing, packing, financing, and selling. The business of the association is owned and controlled by its farmer members; the ownership of the commodity remains with the farmer who produced it until it passes into the hands of the consumer.

The coöperative commodity association is a great business machine which performs the following services for those who produce the commodity: (1) it keeps the farmer members informed of the quantity of the commodity demanded by the market and aids in improving quality; (2) it gathers the product from the farmers and grades it; (3) it manufactures the

product into finished form for consumption; (4) it packs the product attractively in packages suitable to the trade; (5) it stamps high-quality products with the Danish trade-mark; (6) it places the finished product in the hands of the consumer through effective distributing and selling methods; (7) it returns a pay check to the farmer every two weeks or thirty days on the basis of the amount and the quality of the commodity he has provided.

3. *Farm-owned factories.* Manufacture and packing form an important link in the business procedure of the farmers' coöperative associations in Denmark. The chief kinds of factory work are making and packaging butter, making cheese, packing bacon, and grading and packing eggs. The factories in which the work is done are owned and controlled by the farmers who compose the coöperative associations for these commodities.

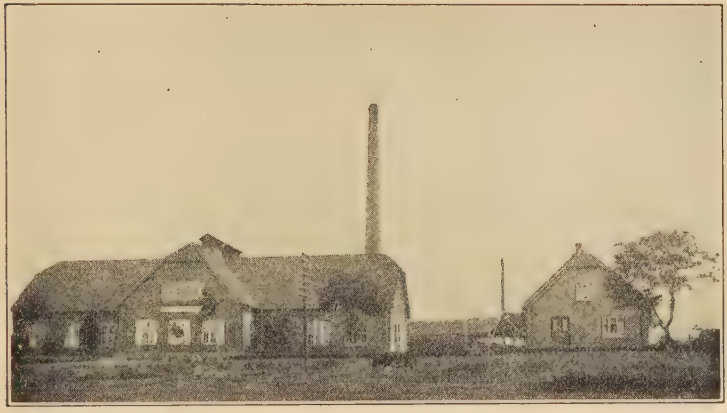
4. *A farm-owned big business.* The farmer members own cooperatively the business of the marketing association. They produce the commodity directly from the soil themselves; they usually manufacture, finance, and market it by proxy through the skilled business experts whom they employ to handle the highly technical processes of manufacture and merchandising.

5. *Providing credit for farm production.* Short-term credit for productive purposes on the farm and for meeting farm emergencies is usually secured locally through the farmers' credit unions. This was one of the earliest forms of coöperative self-help adopted by the Danish farmers, the movement beginning in 1850. There are now one hundred and sixty-eight farm-credit unions in Denmark. They assemble the farmers' resources and make them available for credit purposes, and they market this credit among themselves. Here economy and thrift on the farm count heavily in aiding the farmers to accumulate their own working capital. The Danish farmer's collateral when securing credit from his credit union is his character reënforced by the combined character of his coöperative credit group.

EVANGELICAL SCHOOL OF THEOLOGY



6. *United at the top.* The various centrals about which the farmers of Denmark are organized for producing and marketing the different commodities are united at the top for the purpose of doing for themselves those things which can be better accomplished through the united action of all. Among these purposes are (1) to provide efficient transportation at the most reasonable rates, (2) to provide efficient selling agencies for



BIG BUSINESS ON THE FARM IN DENMARK

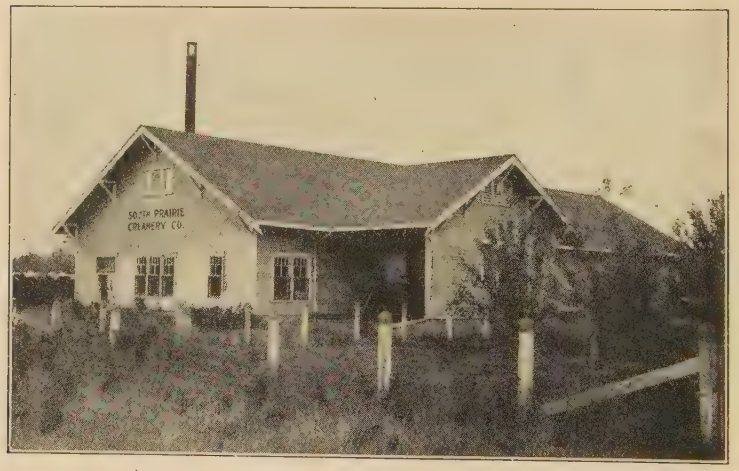
A coöperative creamery with manager's residence. (From Mears and Tobriner's "Principles and Practices of Coöperative Marketing." Courtesy of the United States Department of Agriculture)

farm commodities in large cities and in foreign countries, (3) to provide credit to finance the warehousing and distribution of farm products and the coöperative buying of farm supplies, and (4) to provide long-term credit at low rates and on easy payments to assist landless farmers to become landowners.

7. *Transportation.* The united coöperative commodity associations manage the transportation factor as follows: The state owns the railroads, the farmers control the state, and the railroad rates are kept very low for the benefit of both the producer and the consumer. The farmers' coöperatives own more than a

hundred steamboats, which carry their products to the markets of the world. The state develops the harbors which will contribute to the most efficient transportation of farm products.

8. *Providing and using credit for manufacture and distribution.* The ability to use credit effectively is a very important factor in the big business of organized agriculture as it is carried on by the Danish farmers. Through united action the producing




FARMERS' COÖPERATIVE BUTTER FACTORY, TILLAMOOK COUNTY, OREGON, DEVELOPED ON THE DANISH PLAN

associations formed at Copenhagen in 1914 a central bank for the purpose of building up a supply of credit for making loans not to individual farmers but to associations to enable them to carry on the process of manufacture and warehousing of farm commodities in order to put these commodities on the market in the best-prepared form and in such quantities from month to month as are required to supply the normal demand. This bank also makes loans to commodity associations to enable them to buy in large lots at the greatest advantage the supplies which their farmer members cannot produce at home in the quantities needed, such as oil meal, hay, flour, fertilizers, and

food oils. This bank has ninety-nine local agencies in various parts of Denmark; it is an important coöperative undertaking.

9. *Providing and using credit for the purchase of land.*

*a. Purpose.* Since 1899 great pains has been taken in Denmark to provide long-term credit at a low rate of interest to convert landless tenants into landowners. This is done for two reasons:

(1) To convert the tenant whose interest it is to rob the soil, and to slight the rural community life, into a landowner whose interest it is to maintain the fertility of the soil and to enrich the rural home and community life.

(2) To establish a sound foundation of permanent responsible farm ownership on which to build the coöperative business machines of Danish agriculture. This second point is of supreme importance, because the great business machines of coöperative agriculture cannot be maintained in successful working order if they are founded on shifting, irresponsible tenants.

*b. Source of funds.* The source of the loans which are made to tenants to enable them to buy farms of their own are as follows:

(1) The state contributes through appropriations by the parliament about 40 per cent of the fund.

(2) The fourteen regional land-credit societies furnish about 60 per cent. The land-credit societies are private corporations willing to place their investment money on land at a low rate of interest because of the good security.

*c. Who may borrow.* A farmer between the ages of twenty-five and fifty years who is in good business standing (has saved at least 10 per cent of the purchase price of the farm) may borrow up to 80 per cent of the value of the land and farm equipment. Tax-free land-mortgage bonds secured both by the state and by the land-credit societies are issued to the borrower. These he sells to banks or to private buyers for the purpose of securing the funds to buy the farm.

*d. Repaying the loan.* The farmer pays off the loan on his land by a plan which includes the following three important points:

(1) The maximum length of the loan is ninety-eight years. It may be paid in less time by making a readjustment on the plan prescribed.

(2) An equal amount is repaid each year. This is computed as 4 per cent of the original loan. Of this, $3\frac{1}{2}$ per cent is applied toward paying the interest which accrues on the loan; $\frac{1}{2}$ per cent is applied toward discharging the principal. This low rate (4 per cent of the original loan per annum) is not burdensome to the farmer *when he has the profits from coöperative marketing with which to pay it.*

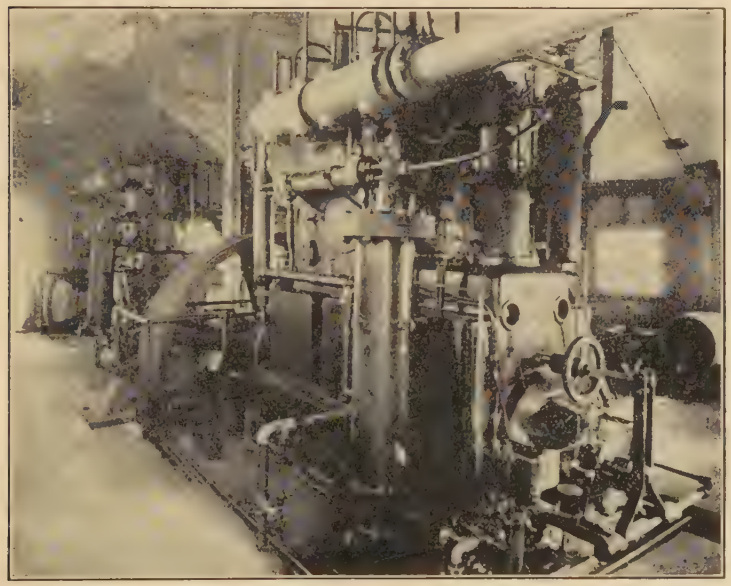
(3) Regular monthly payments are made. The total of these payments for the year equals 4 per cent of the face of the loan. Since the Danish farmer receives monthly or semimonthly pay checks from his coöperative marketing associations, the regular monthly payment plan is an advantage rather than a disadvantage. This plan of regular payments is said to be very helpful in encouraging economy and thrift among Danish farmers.

In twenty-five years the losses of the fourteen credit societies have been less than one-third of one percent. The foreclosing of mortgages is rare in Denmark. If anybody loses finally the loss falls upon the state that guarantees these land mortgage bonds, but the state is willing to bear the loss if any, in order to build a stable and enduring commonwealth upon the substantial basis of home ownership and the citizenship that ownership breeds. The rule is for a farmer of experience to evidence his character by offering one-tenth of the purchase money as a first payment. If he does not have sufficient power of hardy self-denial to have saved at least that much, the conclusion is that he is not a good credit risk.[1]

**The land-loan system and coöperative marketing an effective team.** The land-loan system in Denmark, which by means

[1] E. C. Branson, Farm Life Abroad. University of North Carolina Press, Chapel Hill, North Carolina. Reprinted by permission.

of long-time loans at a low rate of interest on easy payments encourages the landless farmer to purchase a farm of his own, and the coöperative-marketing system, which provides him with a fair profit from his products out of which to repay his loan, comprise a very effective team in transforming landless



FARMERS' COÖPERATIVE PUMPING STATION

This pumping station lifts water to irrigate the apple orchards in Washington, where American farmers are engaged in coöperative big business on the Danish plan

farmers into landowners. Less than 5 per cent of Danish farmers are now tenants. Branson says of them, "They are moving upward inch by inch, day by day, into untrammeled ownership, ownership of themselves, their homes, their farms, their business, and their commonwealth."

**Supplementary coöperative organizations in Denmark.** The two great types of coöperative enterprise which have contributed most to the business success of Danish agriculture are

(1) the coöperative marketing organizations and (2) the coöperative credit organizations. These are supplemented by other coöperative enterprises which have contributed greatly to the success of agriculture in Denmark. Among the most important of these supplementary farm enterprises are the following:

1. Coöperative societies for increasing production and improving the quality of the products of the farms. There are societies for improving dairy cattle, societies for improving the quality of bacon hogs, societies for the breeding of better horses, societies for improving sheep, poultry, bees, fruit, small grain, potatoes, sugar beets, and forage crops.

2. Coöperative societies which provide life insurance, health insurance, accident insurance, fire and wind insurance, livestock insurance, and insurance on field crops. Outside insurance companies do little business in rural Denmark.

3. Coöperative buying in carload or shipload lots of those supplies which the farmers cannot produce in sufficient quantities for themselves.

4. Coöperative organizations through which the farmers provide themselves with electric current, sawmills, flour mills, bakeries, waterworks, and all similar services.

5. The Danish Heath Society, which is a very effective coöperative enterprise for the reclamation of waste lands and their conversion to farm or forest purposes.

6. Community cultural enterprises, such as schools, churches, libraries, musical organizations, and farm lecture courses. These are heartily supported either through coöperative organizations or in the spirit of and for the purpose of Danish coöperation.

**Ten thousand coöperatives.** All told, there are nearly ten thousand local coöperating groups of farmers in Denmark. Each group has its specific purpose to accomplish and uses the coöperative organization as the most effective means of accomplishing that purpose. The average Danish farmer belongs to five or six different kinds of coöperative organization.

**Effective teamwork.** So effective is this teamwork in accomplishing farm purposes that it has built up on the thin soil of the peninsula and islands that form Denmark a most prosperous, cultured, and contented farm group. Coöperative marketing and coöperative credit have provided these farmers, who have learned to do teamwork, with the wherewithal to buy the land they cultivate. Group selling of farm products has brought them a sufficient share of the consumer's dollar to enable them to make themselves the owners of their homes and to equip their homes with modern conveniences, to provide them with electricity for lights and for labor-saving devices, to supply them with books, newspapers, and music, to decorate their houses inside with pictures and outside with paint, and to beautify their grounds with shrubbery. Teamwork in the business end of farming brings to the Danish farmers sufficient profit to enable them to support the most effective type of schools. These schools, in turn, prepare the farmers for even more efficient group action. They have reduced illiteracy to the lowest point of any farm group in the world (less than two per thousand), and they are constantly increasing the power of the Danish farmers to achieve greater success through improved coöperative selling and coöperative living.

**Beneficial effect of farm prosperity on cities.** And it has been found in Denmark that when agriculture, which produces the chief amount of new wealth directly from nature, is prosperous, then prosperity finds its way up through all the economic structure of the nation. The merchant and the manufacturer and the banker are busy and prosperous. They are for coöperative business on the farm because coöperative business on the farm increases the buying power of agriculture, and when agriculture has greater buying power all other business shares in the resulting prosperity.

**The world comes to learn.** So from all over the world the agricultural nations are sending their representatives to study the coöperative business organizations which the Danish

farmers have set up for themselves and perfected to the highest point yet reached by any farm people. They desire to learn the nature of these organizations and the form of life by which the Danish farmers make use of the principles of effective group merchandising to build up the buying power of the farm and the prosperity of the nation.

**Need of American farmers to learn.** Probably of all the farmers in the world the American farmers have the greatest need, today, to learn the secret of the thing the Danish farmers have accomplished. This is true because American farmers are, today, the greatest wealth-losing farmers in the world. Hence they have the greatest need to learn how to hold a fair share of the new wealth they produce in the rural community to build up its homes, its schools, and its churches and to maintain there a standard of living fully equivalent to that found in the cities. When this has been done the country and the city will both be prosperous and American civilization will build on a sound, permanent foundation. To aid in accomplishing this is the most important new task of rural education in America.

# CHAPTER VI

## THE TECHNIQUE OF COÖPERATIVE MARKETING

All successful business today merchandises its product instead of dumping it. Big business in American cities gives very careful attention to merchandising its product. That is why big business prospers. Big business on Danish farms merchandises its product with scrupulous care; that is why organized agriculture prospers in Denmark. American farmers are beginning to form coöperative marketing organizations which will enable them to do collectively what one farmer acting alone cannot do; namely, merchandise farm commodities instead of dumping them.

**The six primary principles of merchandising.** Through all successful merchandising, whether it be the merchandising of commodities produced by big business in the cities, or the merchandising of commodities produced on the farms of Denmark, or the future merchandising of the commodities produced by American farmers, there runs a standard technique. This technique must be varied to meet the nature of the commodity. It must adjust itself to the differing conditions found in merchandising perishables, semiperishables, nonperishables, the products of annual plantings and of permanent plantings, etc. However, through all successful merchandising run six basic principles.

We are indebted to Mr. Aaron Sapiro, one of the foremost leaders of the coöperative marketing movement in America, for the statement of the principles of group merchandising presented in this chapter and for the examples of these principles in action. No one has analyzed the problems of coöperative commodity marketing more thoroughly or presented its

principles more clearly than has Mr. Sapiro. We are indeed fortunate to be able to present his analysis here.

The six principles of group merchandising are as follows:

1. Standardizing and grading the product.
2. Care of the package.
3. Extending markets by time and place.
4. Increasing consumption by proper advertising and efficient methods of sale.
5. Controlling the flow of the product.
6. Making sale price depend upon supply at points of consumption and not at points of production.

**Big business uses the principles of merchandising; little business cannot.** These primary principles of merchandising are put into effect by the capable managers of organized big business, whether that business takes the form of the city corporation or the form of the farm coöperative. Little business — the individual family on a farm — cannot make use of them. It does not control enough of any important commodity, nor does it have sufficient funds, to begin effective merchandising of farm commodities.

CLIPPING ORANGES

Oranges are carefully clipped, not pulled, from the trees in the groves of the farmers' coöperatives in California to maintain a high standard of quality

1. **Standardization and grading.** Quality always counts in the long run in merchandising. It increases the demand, which in turn improves price conditions for the seller.

*a. Eggs.* Great pains are taken in grading up the quality of the eggs marketed by the California coöperative associations.

Only clean, large, white, infertile eggs, strictly fresh, are put on the market by the poultry producers of central California under the trade brand "Nulaid." These captured the California markets against eggs of mixed sizes and colors which were less fresh and less clean and which were formerly shipped in from China and Australia and sold at very low prices. Eggs sell for three or four cents per dozen in China and, in the shell or packed in other forms, cross the ocean in shiploads. Australian hens have their flush spring laying season just in time for their surplus eggs to be put on the winter market in California. This gave Australia and China great advantage in the California market until the California egg producers organized for business.

The California egg producers, although eighteen days away from New York City, the best egg market in the United States, captured that market by standardizing their eggs. The Pacific-coast coöperatives shipped about 1800 cars of eggs in one year, 570 cases to the car, 30 dozen to the case, and guaranteed each egg of the millions of dozens to be strictly fresh, infertile, white, clean, large, and in good condition for storage. Because they have brought their eggs up to this high standard and maintain it strictly, they have developed a permanent demand for their product which enables them to pay the freight across the continent and sell at a profit in competition with the eggs coming into New York City from points as close by as Long Island and New Jersey.

The manager of the Coöperative Marketing Association is in a position to educate the farmers effectively in the standardization of the quality of their product and its proper grading. He speaks in terms of pay checks, and money talks a language to which the average farmer listens with much greater attention than he does to suggestions from his farm journal or the agricultural college. The guides of the California egg producers carefully studied the market conditions to be met and passed the word down the line to the farmer members in money terms:

"Get rid of all varieties of hens but White Leghorns that we may offer only white eggs on the market. White eggs bring the most money. Cull your flock by selecting those that lay large eggs; large eggs sell better. Keep the nests scrupulously clean that the eggs may be clean; clean eggs invite customers. Kill off the roosters that every egg may be infertile; infertile eggs keep better. Gather the eggs every day that we may guarantee every egg to be strictly fresh; strictly fresh eggs command the highest price." The manager, talking in terms of dollars and cents, soon brought all the farmer members into line with the best marketing policy; and, by guaranteeing every egg to be strictly fresh, infertile, white, clean, and large, he is able to secure and to pass back to the individual farmer members the best market price in the best egg markets of the nation.

*b. Bacon.* The manager of the Danish bacon coöperative studied English preferences in breakfast bacon. He searched until he found a type of bacon hog that would produce bacon which just suited the English taste in size, thickness, and strippings of fat and lean, and would produce it regularly and steadily. Through the bacon coöperative the Danish farmers were taught to breed and feed these hogs to standard size and quality. The result was a standard type of bacon of high quality which tempted the Londoners' appetites and greatly increased their demand for Danish bacon. So Danish bacon went to the head of the list on English markets, driving out English, Irish, and Canadian bacon, often bringing over 10 per cent more than these. An English dealer in explaining this situation says, "I can guarantee Danish bacon to be of standard size and quality, but I can't get standard size and quality in the other bacon which I can guarantee all through the year."

*c. Butter.* The manager of the Danish butter coöperative marketing association studied with great care the preferences of the people in the best butter markets of the world. Then great pains were taken to teach the farmer members how to handle

their milk and how to manufacture their butter so as to produce the quality of butter for which people are willing to pay the highest price. Thus the Danish butter coöperative has captured the best butter markets in the world by producing and guaranteeing the highest standards of quality. London buys Danish butter in preference to all other; New York does also sometimes. They buy several millions of pounds annually.

GRADING AND WASHING

The farmers' coöperatives in California cull out poor oranges by floating them in water. The good oranges are scrubbed in warm water with soft brushes, rinsed in clear, cold water, and dried by warm air

*d. Oranges.* The oranges now marketed by the California Fruit Growers' Exchange are culled by floating them in water. The solid, juicy fruit sinks to the bottom, and the frozen or flabby culls float. The good oranges are dried and graded as to size, oranges of the same size being packed in the same box. The culls are not sent to market, but are made into orange juice, marmalade, pectin, and other by-products.

*e. Wheat.* The coöperative wheat growers' organizations test wheat carefully and bring it up to the standard grades. The wheat is tested for gluten content, and wheat growers are urged to breed up the gluten content of their wheat by proper selection, because wheat of higher gluten content has a greater milling value and brings a higher price.

*f. Apples.* The coöperative apple growers of Washington and Oregon now grade their product to a few standard varieties, sizes, colors, and qualities, and ship in carload lots (properly

boxed), every apple in the box the same variety, the same size, the same color, and the same quality. These apples command a higher price on the market than the apples of mixed sizes and colors from the unorganized growers of Michigan and New York, although many of the Michigan and New York apples are often of a superior quality for eating. A better price is secured, because mixed lots are less attractive and tend to bring the same price as the most inferior in the lot.

*g. Walnuts.* The walnuts marketed by the California Walnut Growers' Association are also culled by floating in water or blowing in air. Only the meaty nuts are marketed, to tempt the appetite and increase demand. The culls are worked up into bakers' or confectioners' broken nut meats.

*h. Tobacco.* The Burley Tobacco Growers' Coöperative Association of Kentucky pays careful attention to grading its product and bringing it up to a high standard of quality. Great care is taken to teach the farmers which grades are in most demand at the highest prices and how to bring their tobacco up to these grades by proper selection and expert curing. In grades and grading the big tobacco manufacturers had great advantage over the tobacco-raising farmers until the tobacco growers, through their coöperative association, put this matter in charge of their own experts and set up their own complete grading system. Accurate grading has added thousands of dollars to the incomes of tobacco-raising farmers.

We may sum up the first principle by saying that standardization and grading is the first intelligent step in successful merchandising. It is a most important step. It is a step that the individual farmer operating alone is unable to accomplish with any such efficiency as it can be done by the coöperative marketing association. The association markets only the best, and protects it by strict grading, strict marking, and strict warranties wherever sold. This brings to the farmer a profit which he is unable to secure when marketing alone.

2. **Care of the package.** The package is not simply something that carries the commodity; in successful merchandising it does much more: it carries the amount which investigation has revealed that the housewife likes best to buy, and it carries it in a clean, protected, attractive way which tempts the appetite and thus stimulates demand for the farm product.

A FARMERS' COÖPERATIVE APPLE-PACKING PLANT IN WASHINGTON

The apples are sorted by machinery and are wrapped in tissue paper and packed by hand

*a. Dried fruits.* Twelve years ago the dried fruits from California, packed in bulk, were unattractive and open to the dirt, for the boxes or barrels stood about on the floor of the grocery. The coöperatives changed this, in the main, to neat, attractive, one-pound and two-pound packages, easily handled, which keep the fruit good and which the housewife likes to buy.

*b. Oranges.* Formerly, under individual marketing, oranges were sold in mixed lots without attractive packaging. Now they are packed by the coöperatives in neat boxes of convenient size for grocers and are attractively labeled, each orange

being tastefully wrapped in tissue paper. These packages present a pleasing appearance and draw customers.

*c. Apples.* Michigan and New York apples are often superior in quality to Western apples, but their growers were taught by their grandfathers to pack them in barrels, with a few big ones at top and bottom and the little ones in the middle. The Western apple growers pack apples of uniform size, variety, and color in boxes of convenient size for the grocer to display, each apple wrapped attractively in paper. No culls are shipped. The result is that attractively packed Western apples from the coöperatives sell in Eastern markets from 100 per cent to 150 per cent higher than such Eastern apples as are still unattractively packed, the latter often being left to rot on the trees or to be fed to the hogs.

The package plays an important part in successful merchandising. The individual farmer is not in a position to pack his product effectively. The coöperative association can do it with great success and thus secure for its farmer members the increased profit which results from effective packaging.

3. **Extending markets by time and place.** *a. Extending markets by time.* Hens lay the most eggs in the spring; cows produce the most milk for butter and cheese in the spring; but people do not eat all of these in the spring. Wheat is ready to eat in the fall, but people do not eat it all in the fall. The new cotton crop comes on ready for use during a few months, largely in September and October. But the textile industry does not consume it all then; it consumes it steadily month by month throughout the year. Someone stores farm commodities in times of oversupply, feeds them out in a steady stream as they are consumed throughout the year, and takes for this necessary service the chief profit from the sales of these commodities. The farmers' coöperatives are learning to do this for themselves and to keep the profits for themselves, instead of dumping their profits into Los Angeles, New Orleans, Chicago, or New York.

(1) *Eggs.* The California egg coöperatives store millions of dozens of eggs in the flush producing time of the spring, processing some in oil so that they will keep fresh, and feed them to the market gradually throughout the year. This keeps the oversupply from breaking the market price for fresh eggs in the spring and enables the coöperatives to put the stored eggs on the market later in the year at a price that will yield some profit.

(2) *Cotton.* The cotton growers' associations, by storing the crop and feeding it to the market gradually, secure for their farmer members the average price for the entire year rather than the lower prices received by the farmers who dumped their cotton on the market at picking time.

(3) *Wheat.* Kansas wheat growers are not yet organized for coöperative merchandising of wheat. It is estimated that they dumped 70 per cent of the 1924 wheat crop on the market immediately after the harvest. The price received was from $1.07 to $1.10 per bushel. Those who bought the wheat and fed it to the market sold it for about $1.50 per bushel. In this process many millions of dollars slipped away from the Kansas wheat growers. This illustrates one of the chief reasons why American agriculture is a wealth-losing agriculture.

The wheat growers of Canada, through their coöperative marketing association, fed their 1924 wheat crop to the market in such fashion as to realize for the farmers from thirty to forty cents more per bushel than the Kansas farmers received. About one dollar per bushel was advanced to the farmer upon the delivery of his wheat after harvest, and the remainder upon the sale of the wheat by the coöperative. Ninety-eight thousand Canadian wheat-growing farmers benefited through this successful coöperative merchandising of wheat.

*Credit for extending markets in time.* The wheat farmer is often compelled to dump his crop on the market immediately after harvest. So is the cotton farmer or the producer of any other agricultural commodity. The rent is due, the interest is

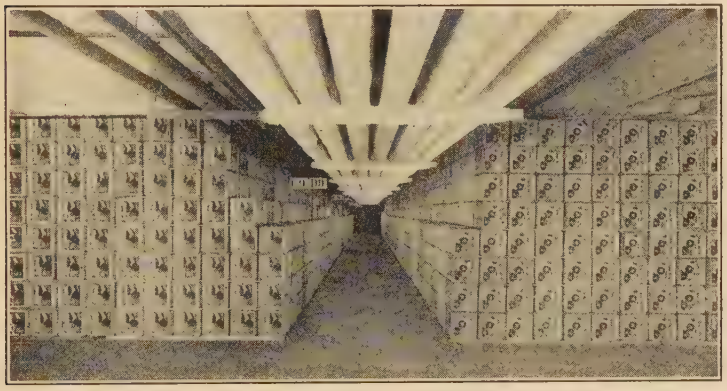
due, the taxes are due, store bills and machinery accounts are due. These must be paid. The crop is ready; it must be sold. The result is the dumping of a large temporary oversupply on the market, which decreases the price during the time the farmer is selling. This jolt at the opening of the market year is often so heavy that the market does not recover from the effects of it throughout the year. This is one of the great reasons why American agriculture is a wealth-losing agriculture.

Credit to protect the market from this jolt is most effectively secured through the coöperative marketing organization. It is in the most strategic position to meet this problem by extending the market in time. It stores in warehouses the temporary surplus of farm commodities capable of storage, and feeds the commodity to the market in quantities that meet the normal demand from month to month and from year to year, balancing the flush month against the lean month and the flush year against the lean year. The sale of farm products is made to depend on the *time of consumption*. Thus a price is secured for the farmer which yields him a fair profit.

But the farmer whose product has been stored must have money to meet his pressing bills. The coöperative commodity central must get this for him, and advance to him when he delivers his commodity a good part of its probable selling price; otherwise the farmer cannot coöperate with the association in extending the market in time by warehousing the surplus.

In Denmark the coöperative centrals secure the credit necessary to warehouse their temporary surplus through the central bank organized for the purpose of lending credit, not to the farmers, but to commodity centrals for such purposes as warehousing. The strength of the Danish system lies in the fact that to a very large extent this credit represents the savings of the farmers themselves from their own profits, pooled to supply themselves with credit for that very important step in successful merchandising, namely, warehousing the excess of the commodity over from the flush periods to the lean periods.

In America organizations for supplying the credit for warehousing must be developed as a part of the growing coöperative marketing movement. There are three probable sources from which this credit may be secured: (1) Private corporations in the business of loaning credit, such as the usual commercial banks. (2) Semipublic organizations making use of United States bonds and organized farm security to obtain at a low



FARMERS' COÖPERATIVE COLD-STORAGE PLANT FOR APPLES IN WASHINGTON

The apples are held here at a temperature of 30° to 32° and marketed in an orderly fashion throughout the year. Note the boxes of convenient size and the attractive labels

rate the use of the funds that leak away from a wealth-losing agriculture and accumulate in other hands in the cities as investment moneys. This plan would make large use of the Federal Intermediate Credit banks, using the stored farm commodity as collateral. (3) The farmers' own savings pooled to supply themselves with the necessary warehousing credit.

The third source represents the strongest position for the farmer but the one most difficult to attain. It is difficult indeed for a wealth-losing agriculture to accumulate a pool of credit out of the savings of its individual members so long as it remains a wealth-losing agriculture. There must be some profit

in the sale of its commodities before there can be much opportunity to save. Nevertheless the strongest position for the farmer and the one toward which organized agriculture must constantly strive is that in which the farm group supplies its own credit pool for warehousing out of the savings of its individual members. The better farmers will take the lead. Little savings accumulated by individual members through intelligent industry and frugal living, out of economy and thrift, and pooled together to supply a larger and larger part of the credit needs of organized agriculture will become a mighty power in establishing really successful big business on the farm.

In the early stages, while coöperative marketing is gaining a foothold and beginning to secure sufficient profit to make American agriculture a wealth-holding agriculture, it will probably be necessary and desirable to make considerable use of both the first and second sources of credit available for warehousing. The second source, which makes use of the joint credit of the United States government and coöperating farm groups, can probably be made to supply coöperative centrals with warehousing credit on the most satisfactory terms.

This help from the government would be desirable only during the formative period, while coöperative marketing is getting on its feet sufficiently to secure a fair profit for the farmer. After that it would serve only to weaken the farm group, since where nature or government does most for a group, the group ultimately does least for itself.

American farm coöperatives are at present making large use of credit secured from commercial banks. In 1923 a group of coöperatives borrowed more than $170,000,000 on three types of products at an average rate of $5\frac{3}{8}$ per cent. When farm cooperative marketing associations are soundly organized, commercial banks are glad to market their credit with them at a rate lower than they will extend to individual farmers. This is true because a sound coöperative, holding a stored product, is better security than an individual farmer. The Texas cotton

association borrows on its stored cotton at 4 per cent, whereas individual farmers must pay from 6 to 8 per cent for financing.

During the present period, while the coöperative marketing of farm commodities is being established in the United States, it will probably be desirable to make use of both the commercial banks and government credit. Used together they would prove less dangerous to a wealth-losing agriculture trying to struggle onto its feet and become a wealth-holding agriculture than either would be if used alone. For its own safety, to develop its own strength, and to guarantee a sound and permanent future, organized agriculture must look forward to making less and less use of credit from outside sources and to making more and more use of credit which arises out of the savings of individual members, pooled to meet the credit needs of agriculture. The accumulation of credit through intelligent industry and frugal living, and its wise use in warehousing, are of tremendous importance to the big business of organized agriculture.

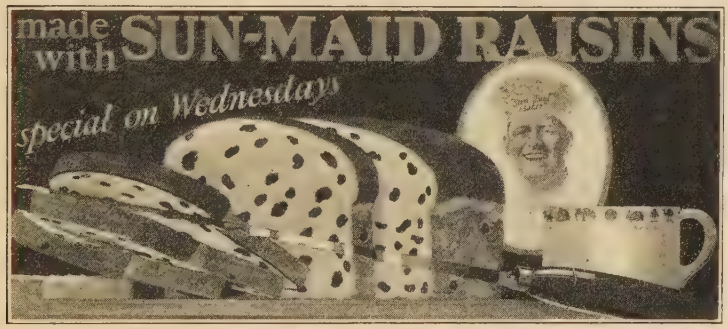
*b. Extending markets by place.* The most potential market is where the consumers are. Every town is a potential market. The manager of the coöperative marketing association studies the geography to find where his potential groups of consumers are, and then he sets out to sell directly to these groups. The citrus fruit growers' coöperative of California formerly sold in only fourteen cities; now it sells in nearly every city of any importance in the United States except in Florida. The individual farmer cannot do this. He must accept the best price that the buyer for an organized market will offer him. Sixty-five per cent of the apples handled through small local associations are shipped into one general market, New York City, which contains less than 10 per cent of the population of the United States. This puts the small seller in a weak position. It lowers the potential of his market. The coöperative, on the other hand, by selling directly to the consuming groups where they are, reaps the benefit of the highest potential of these markets. The egg coöperatives are now selling eggs wherever

the real distributing to the consumer takes place, and three hundred thousand growers of cotton in the South are federated to sell directly to the spinners in England, Germany, New England, and the Carolinas. This is effective extension of markets in place.

The individual farm family operating alone cannot make effective use of the very important principle of extending markets by time and place. It is seldom in the position to warehouse its products successfully, because of lack of storage facilities and the necessary credit to carry the crop over. In the case of those farm families who are able thus to extend their selling period in time, there is little opportunity to find the place where the most potential group of consumers is. The coöperative association, with its better storage and credit facilities and its expert business manager to search out the best places to market, is able to do these things and return the profit to the farmer members.

4. **Increasing consumption by proper advertising.** It is a cardinal principle of good business to encourage people to use more of your product if it is a product of which they should use more. If it is good, tell the world about it, particularly that part of the world that should use more of it. Big business in the city has long made use of this important step in merchandising. If you will glance through the magazines which reach American housewives, you will notice how many of the advertisements are by big corporations in the cities that are manufacturing into finished form the product grown by the farmers and are merchandising this farm product profitably. You will recall that the Danish farmers do this manufacturing and merchandising for themselves and keep the profit for themselves. American farmers have left the most profitable part of agriculture to others. However, you will notice among the advertisements addressed to American housewives some from American farmers who are now beginning to organize their own big business and bring the reward back to the man on the farm.

A milk-producing association in a twenty-eight-day advertising campaign through the schools and women's clubs and by billboard and newspaper advertising increased the consumption of fluid milk in their market city 12 per cent. This was good for the people, as milk is a very nourishing food. It was good for producers, because fluid milk is the most profitable form in which to market their product, and the increase became permanent. The California raisin growers by efficient advertising




POSTER ADVERTISING THE USE OF SUN-MAID RAISIN BREAD

From Mears and Tobriner's "Principles and Practices of Coöperative Marketing"

increased the consumption of raisins in the United States from about 100,000,000 pounds annually to 260,000,000 pounds. The individual farmer is not in a position to tell the world about the good product he has for sale. Advertising costs too much; often a single page of advertising in a housewife's journal of national circulation costs from $1000 to $5000 for a single issue. However, when growers have organized themselves into a coöperative marketing association, the association is able to advertise its product effectively. What is more, the manager is in a position to spy out the land and tell the world at those points where the telling will do the most good.

5. **Controlling the flow of the product.** With all goods, but particularly with perishable goods, controlling the flow is very

important. Controlling the flow means careful, continuous attention to routing shipments to see that no place gets a glut and that no place has a famine. The California Berry Growers' Association markets all its berries possible on the local Western market. Then it pre-cools its surplus and ships it to New York City and other Eastern markets. When Delaware berries come on, and the Eastern markets are saturated, it diverts its shipments to Chicago and other Middle Western markets. As Kentucky berries come in, and these markets grow saturated, the Western associations fall back to less glutted points.

By careful attention to the time and the place of sale, by following each car of oranges and diverting it by telegraph from points of glut to points of shortage, the California Fruit Growers' Exchange sells its oranges most advantageously. A glut of a perishable product in any market means a bad loss to the producers; an instantaneous readjustment of the flow of a perishable commodity in such manner as to supply the demand at every point continuously, without a glut at any point, means a good profit to the growers. The individual farmer is helpless to make this continuous readjustment. The coöperative marketing association can do it successfully and bring the reward back to the family on the farm.

6. **Making sale price depend on supply at points of consumption and not at points of production.** Unorganized farmers must accept a price fixed on the basis of the total production lumped together. This acts to depress the price that will be offered by any given market. A big crop of corn on the farms makes corn low in all markets. When a farm commodity is organized for merchandising, a price can be secured for the farmer which is based on the supply of the commodity at the point of consumption independent of the total supply on the farm. The supply at the point of consumption can be adjusted to meet the normal demand at that point, and a fair price can be maintained. All successful big business makes use of this principle of merchandising.

Take the United States Steel Corporation. When conditions are easy and labor fairly well down, and they have nothing else to do they make piles of steel rails and store them at Pittsburgh and Gary and other points. Do they bring in a bunch of men and say: "We have a pile of rails here; make offers for them." No! They simply say: "We will make them when conditions are cheap, and store them; and we will determine the price value of those rails by determining the quantity at which we will move them into any given *place* at any given *time*." In short, the thing that determines the price value of any commodity is the control of the flow of that commodity as to quantity, time, and place.[1]

Henry Ford makes price depend on the supply at the point of consumption. He gave a powerful illustration of this in a master stroke of merchandising in 1920, when it was supposed that he had several hundred thousand automobiles lying at the point of production and that this large number would break the price and break Ford. Bankers were reluctant to lend him the credit he needed. He solved the problem by calculating the potential market for Fords in each part of the country, as indicated by population and crops, and shipping the allotted number to each specific district. Ford agents were told to sell their allotment in ninety days; in seventy days they sold enough on the basis of the supply at points of consumption to make the Ford Company independent of American bankers.

Supply and demand fix the price of a product, but it is supply *where* and supply *when*. It is the amount of supply at any given *time* and *place* that determines the price value of any commodity.

When farmers sell individually, they cannot control the flow of the commodity as to *time* and *place*. They are utterly helpless here. When they sell as local associations which dump on the market against one another, they cannot control the flow, and they are equally helpless; but when they organize the major fraction of a commodity and have a central office to

[1] Aaron Sapiro, Address on Coöperative Marketing.

direct the sale of that which they produce, they have something to say as to the flow of that commodity with regard to *quantity*, *time*, and *place*. Then they have real bargaining power. They have something to say concerning the price; they have something to say about the profits they shall earn. Then they have brought to agriculture the chief advantage which big business in the cities has over it today — greater bargaining power.

FARMERS' COÖPERATIVE PLANT FOR PACKING ORANGES IN CALIFORNIA

The packing is done by women. Each packer wears white cotton gloves to prevent even a finger-nail scratch on the skin of the fruit. Each orange is wrapped in tissue paper before being packed in the box. "Sunkist" is the trade-mark used by the farmers in this coöperative

**Effect of the six primary steps in merchandising.** The six steps in the technique of marketing that have made big business in the cities successful are now being put into successful operation by big business on the farm. Whereas the farmers of California formerly received eight cents out of the consumer's dollar, they now secure forty-eight cents without appreciably increasing that dollar. This is done with commodity after commodity, perishable and nonperishable alike.

Coöperative marketing of farm commodities has become even more effective in Denmark. There it is aided by short rail hauls from producer to consumer, by low freight rates, and by credit facilities which are more largely self-supplied. In addition it has more completely bridged the gap from producer to consumer and has gained more complete control of each farm commodity because almost 100 per cent of the producers of a given commodity belong to the coöperative organization for marketing that commodity. For these reasons the Danish farmers are able to secure a very high percentage of the consumer's dollar. In some cases this is said to be as high as 80 per cent. Successful marketing goes far in California and in Denmark toward making a wealth-holding agriculture.

We should note the effect on rural life of employing an effective technique of merchandising farm products. When agriculture becomes wealth-holding through effective marketing, it immediately begins to buy a higher standard of living and of culture for the people of rural communities. Danish farmers use the profits from successful marketing to improve their homes, their schools, their churches, and to provide newspapers and books and music for the home and college education for their sons and daughters. And so it is in California. Formerly in rural sections of that state, churches were frequently boarded up because they could not afford ministers, some of the schools would run but three months a year because they did not have money enough to pay for teachers, and the children were made to work in the fields because their fathers could not pay for hired men. Coöperative marketing, wherever introduced, has greatly changed these conditions. California, which is first among the states in the number of its farm commodities organized for coöperative marketing, is now ranked first among the states in the support of rural schools, first in rural homes, first in rural roads, first in rural churches, first in rural libraries, with the highest salaries paid to rural teachers and rural ministers and with more than three times as much life insurance held

by the average farmer as any other state. The farmers of California use coöperative marketing to capture a fair share of the consumer's dollar. With this profit they have built for themselves the finest rural culture in the United States. Aaron Sapiro[1] says:

Whether it is hogs, live stock, wheat or bacon, you can always merchandise any product more profitably than you can dump it. Whether it is tobacco, cotton, beans, or raisins that is produced on the American farm, the lesson is this: you cannot get education or opportunity in life, or even decent comfort and decent food at home unless you can get the money with which to buy these things; and if you are a farmer, you cannot get that money unless you get it out of crops; and you cannot get it out of crops unless you are taught merchandising instead of dumping.

The real result in California is that the best citizenship of that state is on the farms. Our boys go through the university and back to the farm, because living is just as comfortable, just as sweet and enlightening as it is in the cities. They have found it so because coöperative marketing has enabled these farmers to take a new viewpoint in life.

They are not doing it as one class fighting the other class. They have taken agriculture and organized it so that it is adjusted to normal channels of trade. When we have problems in California we have everybody working side by side to solve these problems. When we have sign-up days with our coöperatives, they close up the towns. The bankers and merchants go out with the farmers to sign up the other farmers. They have learned that agriculture is not the business of one class, but the business on which the entire prosperity of the state depends.

The development of a technique of marketing farm commodities which will bring a fair share of the consumer's dollar back to those who produce the new wealth from the soil is the surest means of developing a sound and permanent prosperity for all classes in America and of preserving the living foundations of the nation.

[1] Aaron Sapiro, Address on Coöperative Marketing.

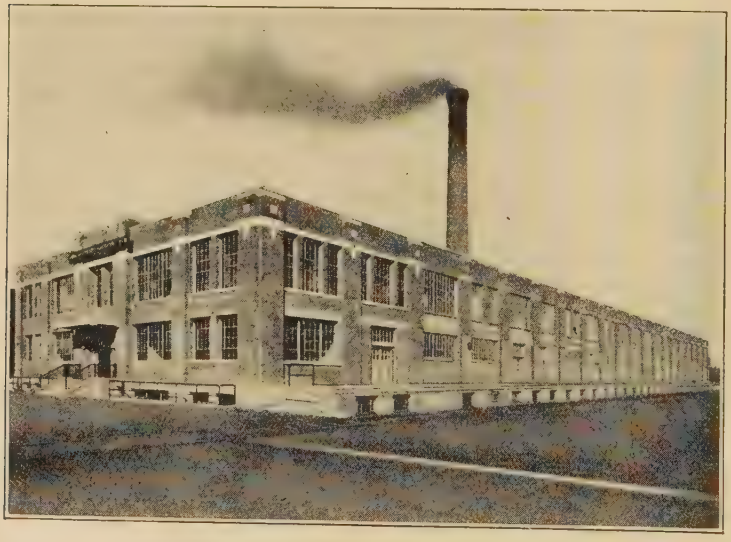
# CHAPTER VII

## DEVELOPMENT OF COÖPERATIVE MARKETING IN THE UNITED STATES

Coöperative marketing, as the term is used here, means the group marketing of a large fraction of a farm commodity through one central selling channel. A local coöperative creamery that dumps its product on the market against the product of other local coöperative creameries, or a local coöperative elevator that dumps its product against the product of other local coöperative elevators, does not represent coöperative marketing in the true sense. When these small local coöperative groups unite to sell their commodity through one central channel, they then constitute a true coöperative marketing organization, as the term is used here.

**Early history in the United States.** The first coöperative marketing of a farm product through a central selling channel in the United States began in a small way about thirty years ago. About 1886 the first experiments were made. In 1895 the farmers of California led off in a movement which is destined to usher in a new era in rural life in America. The first farm commodity organized for true coöperative marketing was citrus fruits. From time to time such changes were developed in the plan as would better adapt it to conditions surrounding the growing, packing, distribution, and sale of the citrus fruits of California. Gradually the citrus growers demonstrated that American farmers can learn to do group marketing on a large scale through a central selling channel. They demonstrated also that when this is well done, group marketing on a large scale can be made much more profitable than dumping, as practiced by individuals or by local coöperative groups.

From this beginning in the citrus-fruit industry of California the plan of marketing farm products coöperatively through a central selling channel has spread to many commodities in many states. At the present time raisins, prunes, apricots, walnuts, beans, rice, eggs, poultry, hogs, and cattle, in addition to citrus fruits, are so marketed in California. The plan has



HEAD PLANT OF THE MINNESOTA COÖPERATIVE CREAMERIES ASSOCIATION, ST. PAUL

This is the home of Land o' Lakes butter. "Land o' Lakes" is the trade-mark used by the farmers who belong to this coöperative association

been adapted to the marketing of butter and cheese in Oregon, Washington, Minnesota, Wisconsin, and Ohio; to milk in New England, New York, Ohio, and Minnesota; to cotton in Oklahoma, Texas, Arkansas, Tennessee, Alabama, Mississippi, and the Carolinas; to tobacco in Kentucky, Virginia, Maryland, Connecticut, and Wisconsin; to wheat in Oklahoma, Texas, and western Canada; to potatoes in Minnesota, Michigan, and Maine; and to many other commodities in other states.

**Volume of business.** Here are leading coöperatives which are marketing farm commodities through central selling channels, together with the value of the commodities sold in 1924.

| Coöperative Marketing Association | Principal Place of Business | Value of Commodity marketed in 1924 |
|---|---|---|
| California Fruit Growers' Exchange | Los Angeles | $50,000,000 |
| Texas Farm Bureau Cotton Association | Dallas | 37,237,426 |
| Arizona Pima Cotton Growers | Phoenix | 1,500,000 |
| Minnesota Coöperative Dairies Association | Owatonna | 3,469,424 |
| United Dairy Association of Washington | Seattle | 8,000,000 |
| Florida Citrus Exchange | Tampa | 24,000,000 |
| Alabama Farm Bureau Cotton Association | Montgomery | 9,600,000 |
| California Lima Bean Growers' Association | Oxnard | 4,000,000 |
| Maine Potato Growers' Exchange | Caribou | 4,000,000 |
| Southwest Wheat Growers' Association | Enid, Oklahoma | 12,000,000 |
| South Carolina Cotton Growers' Coöperative Association | Columbia | 18,000,000 |
| Georgia Cotton Growers' Coöperative Association | Atlanta | 12,000,000 |
| North Carolina Cotton Growers' Coöperative Association | Raleigh | 14,500,000 |
| Arkansas Sweet Potato Exchange | Little Rock | 60,000 |
| Michigan Potato Growers' Exchange | Cadillac | 2,000,000 |
| Minnesota Coöperative Creameries Association | St. Paul | 26,000,000 |
| Minnesota Egg and Poultry Exchange | St. Paul | 1,500,000 |
| Tobacco Growers' Coöperative Association | Raleigh | 25,636,750 |
| Oklahoma Cotton Growers' Association | Oklahoma City | 18,000,000 |
| California Walnut Growers' Association | Los Angeles | 9,625,530 |
| Dark Tobacco Growers' Coöperative Association | Hopkinsville, Kentucky | 24,000,000 |
| Tillamook County Creamery Association | Tillamook, Oregon | 1,855,334 |
| Poultry Producers of Central California | San Francisco | 4,000,000 |
| Poultry Producers of Southern California | Los Angeles | 1,391,059 |
| California Fruit Exchange | Sacramento | 14,994,554 |
| Burley Tobacco Growers' Coöperative | Lexington | 42,430,772 |
| Sun-Maid Raisin Growers' Association | Fresno | —— |
| New York Dairymen's League | New York City | 66,000,000 |

**Common characteristics.** The coöperative marketing associations of America reveal certain characteristics of organization which are common to all. These may be looked upon as basic principles of group marketing. Among these are the following:

1. Only one commodity (or a group of closely related commodities) is handled by the association.

2. The business organization is owned by its farmer members.

3. The organization is democratic, being based on the one-man-one-vote principle.

4. A marketing agreement or contract setting out clearly the mutual obligations of all is signed by each member.

5. The members elect directors to represent them in managing the affairs of the marketing association.

6. A skilled business manager is employed.

7. The association is a non-profit organization: it keeps no profit, but passes back to the grower members all the proceeds of the sale of their product less actual operating expenses.

8. Each marketing association tries to put into practice the six principles of efficient merchandising discussed in Chapter VI.

9. Each marketing central has as its dominant purpose the changing of the marketing of the given commodity from the old, inefficient system of individual marketing to the new, more efficient system of group marketing as set out below:[1]

| Under the present marketing system, we | Under coöperative marketing, we |
|---|---|
| (1) ignorantly, | (1) intelligently, |
| (2) individually, | (2) collectively, |
| (3) helplessly, | (3) powerfully, |
| (4) dump farm products, | (4) merchandise farm products, |
| (5) in small quantities, | (5) in large quantities, |
| (6) without proper grading, | (6) with proper grading, |
| (7) with scientific finance, | (7) with systematic financing, |
| (8) selling through untrained producers. | (8) selling through the most expert selling agencies. |

[1] A comparison worked out originally by a county agent in the South and widely quoted in farm journals.

10. One problem of major importance that all coöperative marketing associations must meet is that of the control and disposal of the surplus of their commodity.

**Types of organization.** The type of organization employed in a coöperative marketing association depends upon the conditions which surround the growing, processing, storing, and selling of the particular farm commodity to be handled. The marketing machine in each case must have such special adjustments as will make it efficient in meeting the special conditions governing the given commodity.

*The federated type.* In handling such commodities, for instance, as oranges, butter, or cheese, certain basically important processes must be carried out coöperatively within the local community. Oranges are easily damaged, therefore they must be graded, wrapped, and properly packed in boxes for the trade, in local packing-plants within convenient hauling distance of the orchards. The process of grading, wrapping, and packing is such that it can be carried out effectively in small local plants. In the case of butter the most important process, that of making high-quality butter from cream in first-class condition, can best be carried out in local creameries within convenient hauling distance of the milk-producing farms. Whole milk delivered directly to the creamery for skimming and making into high-grade butter under conditions of control laid down by the local creamery, with the skim milk returned to the farms to be used for feeding, offers the most efficient plan of butter-making. This is best handled by local control. In the case of cheese the chief manufacturing problem is a local problem also — that of making cheese from whole milk brought each day directly to the factory from the farms of the locality. In the case of all such products as oranges, butter, and cheese, where a process of major importance must be performed in a plant in the local community, a strong local coöperative organization for carrying out this process most effectively is highly desirable. In such cases these strong local associations

are federated into a great central sales organization for the purpose of merchandising through one channel the product of all.

*The centralized type.* In the case of other farm commodities (for example, raisins or tobacco or cotton) there is no process of large concern which must be performed in a local plant. Raisins are dried on trays placed on the ground in the vineyard a few feet from where they are cut from the vines. The dried raisins are easily transported without danger of injury. They are delivered at receiving and storage houses located at convenient points in the area where they are grown; from these they are forwarded to a central point for processing and packaging. The process of grading, seeding, and packaging raisins and turning the lower grades into profitable by-products, such as sirup and food for stock, are of such a nature that they are best performed in a large central plant. In the case of tobacco the preliminary stages of curing are performed on the farm where the tobacco is grown, and there is no important processing to be performed in a local community plant. With cotton there is the process of ginning to be performed in a local gin within convenient hauling distance of the cotton farms. However, this process is comparatively simple and does not play a part of major importance in the industry

CONCENTRATION YARDS OF FARMERS' COÖPERATIVE LIVE-STOCK SHIPPING ASSOCIATION IN CENTRAL OHIO

The live stock of farmer members is assembled here for grading into the most marketable lots for shipping to the most profitable markets

comparable to the grading and packing of oranges or the making of butter and cheese in the local community. In some cases the ginning is done by a local coöperative organization of farmers; in other cases, by privately owned gins. In the case of raisins endeavor is centered on grading and packaging at a central plant and selling through a central channel; in the case of cotton and tobacco, on grading, pooling grades, warehousing, and selling through a central channel. In all these cases the matters of major import can be handled most efficiently through a highly centralized organization. There is little need for highly developed local coöperative units. The coöperative marketing organizations adapted to farm commodities such as raisins, tobacco, and cotton are known as the centralized type.

Many modifications of both the federated and the centralized type are being made to adapt the coöperative marketing organization more effectively to the particular commodity it has to market, but in all instances of successful coöperation the commodity is the key to the entire organization. For example, the producers of whole milk for sale on the city markets of New England, New York, Cincinnati, or Minneapolis have a number of problems all their own, one of which is the problem of converting their perishable surplus into evaporated milk, ice cream, butter, or cheese. The producers of live stock, such as hogs, have problems of holding animals on feed and problems of great differences in freight rates which must be met. The growers of highly perishable fruits and vegetables have major problems which must have first consideration in shaping the organization to meet their needs. In some cases both types of organization are combined in one. The American Cotton Growers' Exchange is a good example of this. The cotton growers in each state represented in this giant organization are first organized into a state association of the centralized type. These state associations are then federated to merchandise their cotton through one great central selling channel representing three hundred thousand cotton growers.

**Examples of the federated type.** The following coöperative marketing associations are among those which, from the nature of their organizations, are classed as of the federated type. The dates of organization give some idea of the rate of development of coöperative marketing associations among the farmers of the United States.

| Name of Association | Principal Place of Business | Date Formed | Units Affiliated | Membership, 1925 |
|---|---|---|---|---|
| California Fruit Growers' Exchange | Los Angeles | 1895 | 204 | 11,000 |
| California Fruit Exchange | Sacramento | 1901 | 70 | 5,500 |
| Mutual Orange Distributors | Redlands, Calif. | 1906 | 33 | — |
| Fruit Growers' Supply Company | Los Angeles | 1907 | 204 | 11,000 |
| Minnesota Coöperative Dairies Association | Owatonna | 1907 | 425 | — |
| Florida Citrus Exchange | Tampa | 1909 | 79 | 6,000 |
| Tillamook County Creamery Association | Tillamook, Ore. | 1909 | 25 | — |
| California Walnut Growers' Association | Los Angeles | 1912 | 39 | 4,000 |
| Wisconsin Cheese Producers' Federation | Plymouth | 1913 | 160 | — |
| Gulf Coast Citrus Exchange | Silverhill, Ala. | 1915 | 9 | 900 |
| California Lima Bean Growers' Association | Oxnard | 1916 | 17 | 1,000 |
| Exchange Supply Company | Tampa, Fla. | 1916 | 107 | 5,000 |
| Equity Union Grain Company | Kansas City, Mo. | 1916 | 40 | 6,000 |
| Florida East Coast Growers' Association | Miami | 1917 | 8 | 650 |
| Michigan Potato Growers' Exchange | Cadillac | 1918 | 109 | 15,000 |
| United Dairy Association | Seattle | 1919 | 6 | 7,000 |
| New York State Sheep Growers' Coöperative Association | Syracuse | 1919 | 37 | 1,500 |

| Name of Association | Principal Place of Business | Date Formed | Units Affiliated | Membership, 1925 |
|---|---|---|---|---|
| Michigan Elevator Exchange | Lansing | 1920 | 107 | — |
| Western New York Fruit Growers' Coöperative Packing Association | Rochester | 1920 | 40 | — |
| Chautauqua and Erie Grape Growers' Association | Westfield, N.Y. | — | 40 | — |
| Ohio Live Stock Coöperative Association | Columbus | 1920 | 61 | 30,000 |
| South Carolina Sweet Potato Association | Florence | 1920 | 100 | 2,000 |
| Wenatchee District Coöperative Association | Wenatchee, Wash. | 1920 | 17 | — |
| Empire State Potato Growers' Coöperative Association | Rochester, N.Y. | 1921 | 25 | 900 |
| Arkansas Sweet Potato Growers' Exchange | Little Rock | 1921 | 38 | — |
| Minnesota Coöperative Creameries Association | St. Paul | 1921 | 475 | 95,000 |
| Wenatchee-Okanogan Coöperative Federation | Wenatchee, Wash. | 1922 | 15 | — |
| Southwest Wheat Growers' Association | Enid, Okla. | 1922 | 375 | 15,000 |
| Mississippi Farm Bureau Truck Association | Jackson | 1922 | 35 | — |
| Illinois Fruit Growers' Exchange | Centralia | 1922 | 23 | 900 |
| Texas Farm Bureau Melon Growers' Exchange | Dallas | 1922 | 19 | 2,200 |
| Michigan Fruit Growers, Inc. | Benton Harbor | 1923 | 18 | — |
| Colorado Potato Growers' Exchange | Denver | 1923 | 21 | 2,200 |
| Maine Potato Growers' Exchange | Caribou | 1923 | 30 | 3,100 |
| Indiana Canning Crops Exchange | Indianapolis | 1924 | 36 | 3,000 |
| Minnesota Coöperative Egg and Poultry Exchange | St. Paul | 1924 | 72 | 13,000 |

**Examples of the centralized type.** Among the eighty coöperative marketing associations which from the nature of their organization are classed as centralized, the following are among the largest. Notice the date of organization and growth.

| Name of Association | Principal Place of Business | Year Formed | Members, 1923 | Members, 1925 |
|---|---|---|---|---|
| Sun-Maid Raisin Growers | Fresno, Calif. | 1912 | — | 16,000 |
| Maryland Tobacco Growers' Association | Baltimore, Md. | 1920 | 4,600 | 4,664 |
| Arizona Pima Cotton Growers | Phoenix, Ariz. | 1921 | 1,283 | — |
| Staple Cotton Coöperative Association | Greenwood, Miss. | 1921 | 2,470 | — |
| Oklahoma Cotton Growers' Association | Oklahoma City | 1921 | 50,618 | 55,041 |
| Texas Farm Bureau Cotton Association | Dallas, Texas | 1921 | 30,134 | 50,000 |
| Connecticut Valley Tobacco Association | Hartford, Conn. | 1922 | 3,389 | 3,729 |
| Burley Tobacco Growers' Cooperative Association | Lexington, Ky. | 1922 | 85,042 | 108,944 |
| Tobacco Growers' Coöperative Association | Raleigh, N.C. | 1922 | 90,226 | 96,352 |
| Northern Wisconsin Coöperative Tobacco Pool | Madison, Wis. | 1922 | 6,672 | 7,810 |
| Alabama Farm Cotton Association | Montgomery, Ala. | 1922 | 20,300 | 25,148 |
| Arkansas Cotton Growers' Cooperative Association | Little Rock, Ark. | 1922 | 10,676 | 14,569 |
| Georgia Cotton Growers' Cooperative Association | Atlanta, Ga. | 1922 | 36,302 | 43,198 |
| North Carolina Cotton Growers' Coöperative Association | Raleigh, N.C. | 1922 | 31,892 | 38,052 |
| South Carolina Cotton Growers' Coöperative Association | Columbia, S.C. | 1922 | 13,600 | 14,912 |
| Dark Tobacco Growers' Coöperative Association | Hopkinsville, Ky. | 1923 | 58,000 | 71,085 |
| Louisiana Farm Bureau Cotton Growers' Coöperative Association | Shreveport, La. | 1923 | 5,159 | 6,253 |
| Mississippi Farm Bureau Cotton Association | Jackson, Miss. | 1923 | 18,040 | 21,000 |
| Missouri Cotton Growers | New Madrid, Mo. | 1923 | 527 | 796 |
| Tennessee Cotton Growers' Association | Memphis, Tenn. | 1923 | 6,441 | — |

**First creep, then walk, then run.** Coöperative marketing organizations are in their infancy in the United States. New ones are born every little while. Of the several hundred coöperative associations for marketing farm commodities through a central channel that have come into being during the past twenty years, some are dead, some are creeping, some are learning to walk, and some have learned to run the keen race of business

GENERAL OFFICES OF A FARMERS' COÖPERATIVE ASSOCIATION IN WASHINGTON WHICH MARKETS APPLES

successfully. A large number of farm producers organized into one body for the purpose of marketing their commodity better must necessarily be slow in attaining complete success. This unwieldy body must learn by slow stages and by hard experience how to creep first, then to walk, and finally to run successfully the exacting race of business, just as the child must learn by slow stages and by hard experience how to creep, then to walk, and finally to run. To expect immediate and complete success in these newborn group marketing associations is to go contrary to nature. The developing of the coöperative market-

ing associations in Denmark and those of the citrus growers and raisin growers in California has followed the natural course: they had many tumbles and hard bumps, but, like the normal child, they have finally emerged triumphant. The young child who because of repeated failures and hard bumps gives up trying to walk can never stand up and be a man; he must go on all fours throughout life. The application of this fact is not lost on the more intelligent American farmers. They are making vigorous and persistent efforts so to develop coöperative marketing that farmers can stand up and be business men among business men.

**The way of life and the way of death.** Experience with the development of the many newborn coöperative marketing associations in the United States has shown which is the way of life and which is the way of death.

| The Way of Death | The Way of Life |
|---|---|
| 1. Ignorance. | 1. Intelligence. |
| 2. Lack of faith. | 2. Faith in one's fellows. |
| 3. Unwillingness to follow self-chosen leadership. | 3. Willingness to follow self-chosen leadership. |
| 4. Incompetent management. | 4. Competent management. |
| 5. Disloyalty to the group. | 5. Loyalty to the group. |
| 6. No sense of moral obligation to one's fellow men. | 6. A keen sense of moral obligation to one's fellow men. |
| 7. Lack of courage. | 7. Unbreakable courage. |

It will be seen from the above that the way of life in the coöperative movement is the same as the way of life in democracy and the way of life which St. Paul pointed out to the early Christian Church.[1] It is a way made possible only by the practice of the coöperative virtues. Those efforts at coöperative marketing in which the membership has not practiced the coöperative virtues have failed. Such associations have died. Those associations in which the membership has really tried to practice the coöperative virtues have lived; they are learning

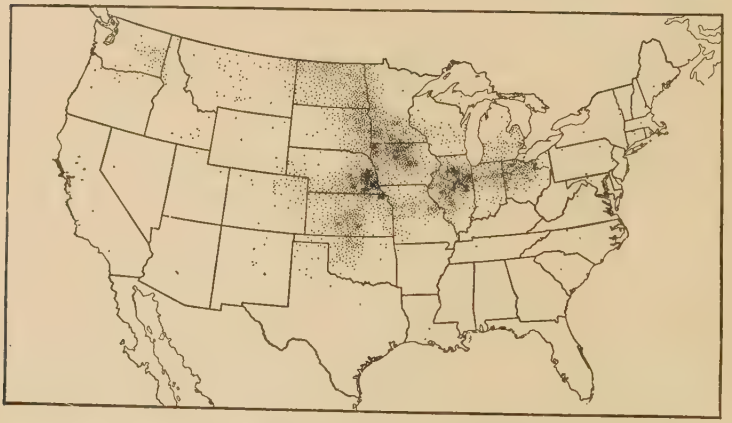
[1] 1 Cor. xii, 12–26.

how to creep, then to walk, and finally to run the race of business, often in spite of great difficulties. This is the way of life.

**Evolution of the non-profit commodity association.** The coöperative principle was first applied to the handling of farm commodities more than two hundred years ago. Many peoples in many lands have contributed to the evolution and growth of the principles and practices of the non-profit marketing associations. These first appeared in a small local way in the cheese and butter rings in Switzerland. Later these rings spread to adjoining countries. They appeared in the United States early in our history. In 1876 the Danish commissioners to the Centennial Exposition in Philadelphia observed some of these local coöperative creameries in New York. They carried the idea back to Denmark, disseminated it through the schools, and presently added a great improvement. This improvement was accomplished by federating the local coöperative creameries and selling their product through a central channel. The plan as improved in Denmark has spread to Norway, Sweden, Holland, Ireland, Finland, and other northern European countries, each country making such modifications as best suited its needs. It was this Swiss-American plan, with its Danish improvement, which was introduced into California in 1895 and became the forerunner of the many various types of non-profit marketing associations now developing in the United States. Similar associations adapted to the local conditions are now developing in Canada, Australia, and New Zealand.

**Non-profit coöperative marketing associations.** Coöperative marketing associations like those that are now developing in the United States are called non-profit associations because the association makes no profit for itself. All the proceeds of the sale of the commodity handled, after the operating expenses have been deducted, are returned to the members who produced the commodity. Each member shares in the returns in proportion to the amount and the quality of the commodity which he delivered to the association.

**Associations with or without capital stock.** So far as is possible it is thought desirable to develop coöperative marketing associations as non-stock organizations. The plan is to pay the operating expenses as largely as possible out of the proceeds received from the sale of the commodity. This is possible where the nature of the commodity handled is such that no large investment is necessary in processing plants, terminal facilities,



FARMERS' BUSINESS ORGANIZATIONS HANDLING GRAIN, JANUARY, 1924

Each dot represents one association. (Courtesy of the United States Department of Agriculture)

warehouses, etc. In case such permanent investments must be made, it is usually done by forming a stock company to provide the needed money through the sale of shares of stock. So far as possible the shares are sold to the grower members of the coöperative marketing association.

**Only the product of members handled.** The coöperative marketing associations in America are developing in the direction of handling the product of members only. There is no desire to make a profit off the product of non-members, nor is there any desire to lose through the uncoöperative acts of non-members. The most desirable condition is attained when all

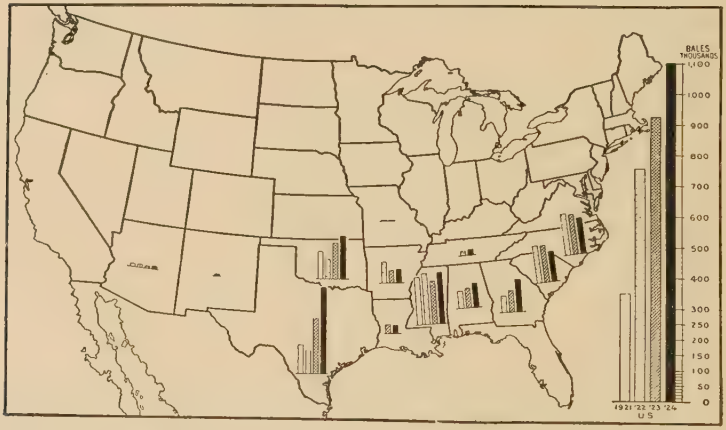
the producers of a commodity have become members of the coöperative marketing association handling that commodity.

**Partly developed coöperatives; coöperative dumping.** There are in America today several thousand local coöperative associations that are still in the early Swiss-American stage of partial development. They are still in embryo. They have not yet added the Danish improvement of federating to sell through a single channel. They cannot add the later American improvements which are based on this plan of merchandising through one channel. These local groups include coöperative creameries, coöperative cheese factories, coöperative elevators, and coöperative live-stock shipping associations. The local coöperative creamery or cheese factory is engaged in coöperative manufacture. It then dumps its product on the market against every other coöperative creamery or cheese factory. The local coöperative elevator or the live-stock association is engaged in the coöperative dumping of the products of its members against the products of the members of every other local coöperative elevator or live-stock association.

These local coöperative dumping associations secure somewhat better returns to their members than are secured through individual dumping. These returns are largely the result of savings on the cost of marketing, of improvement in the standards of production, and of the opening of new markets. As they have not developed to the stage of federating to sell through a single channel, these embryo associations are not able to develop their maximum bargaining power.

**Research facilities.** The large coöperative marketing associations are able to carry on research work in improving the product, in converting the surplus into more profitable by-products, and in searching out new markets in a way that the individual producer or the local coöperative cannot do. The California Fruit Growers' Exchange has thus greatly improved its packing methods, for the better prevention of decay in the fruit, and its buying methods for securing the lumber for

orange boxes. The Sun-Maid Raisin Growers are teaching bakers all over the United States and in northern Europe and the Orient how to make raisin bread and other dishes containing raisins. They are developing confections that consist largely of raisins; they have developed the puffed muscat raisin, thereby adding greatly to its marketableness; they have worked out a process for turning low-grade raisins into high-grade




COTTON HANDLED BY STATE COÖPERATIVE ASSOCIATIONS, CROPS OF 1921-1924

Arkansas and Mississippi have two associations each. (Courtesy of the United States Department of Agriculture)

sirup. They are studying all possible markets for raisins and raisin products throughout the world by a very thorough system. All this illustrates the great possibilities that lie ahead in developing the quality of a farm commodity and extending the use of the commodity and its by-products when the growers of the commodity are organized into a great central coöperative marketing association.

**The problem of surplus.** The development of coöperative marketing associations in the United States has now reached the stage where the problem of surplus product has become a most important one. The devising of means to control the sur-

plus more effectively will be the next step in the improvement in coöperative marketing in America. Many careful students are now hard at work on this problem, and measures that promise success are being formulated.

*History of a surplus.* 1. As the coöperative marketing association becomes effective it increases the price to the grower both inside and outside the organization.

2. Growers both inside and outside the association are stimulated by the better price to raise more of the product.

3. A surplus above normal demand is the result.

4. Unusually favorable growing seasons from time to time bring bumper crops, which add to the surplus.

5. The coöperative association withholds from the market a part of its commodity to stabilize the market price at a fair level and to keep the surplus from breaking the market price for all.

6. Growers outside the association sell at the better price thus maintained by the association.

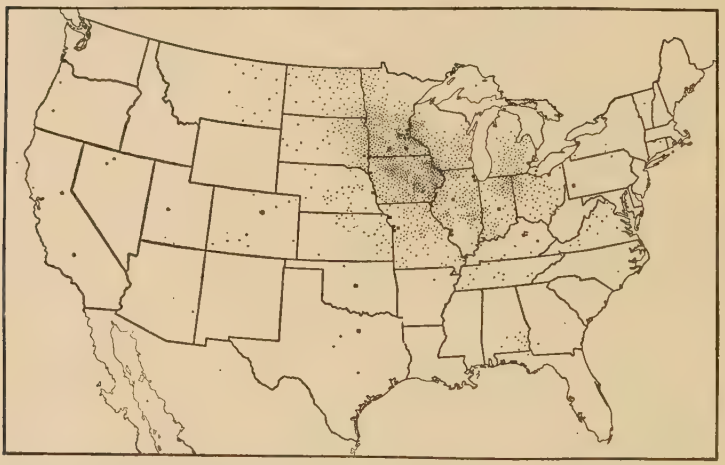
7. The result is that the association is left with the surplus on its hands; the outside growers have sold out at the better price maintained by the association, and the members of the association must suffer the loss caused by carrying over the unsold surplus of the crop.

To meet this situation effectively it is evident that some means must be devised to limit production of the commodity to the amount necessary to satisfy such normal demand as good business methods can create plus a safety allowance carried over from fat years to lean years.

All successful big business does this. It is a primary factor of success. More than that, it is to the best good of everyone in the long run. A surplus is an economic waste that does no one any good. Ten cars of cabbage on the track where but five can be consumed means five cars of rotten cabbage doing no one any good and not even paying the freight. To tie up labor and capital in a surplus of goods beyond those necessary to supply

the demand is a very real loss to society. Farm coöperatives should pattern after big business and keep the surplus down to the minimum of safety.

To reduce the production of any agricultural commodity for which a fair price is maintained through coöperative marketing



FARMERS' ORGANIZATIONS HANDLING LIVE STOCK, MARCH, 1924

Courtesy of the United States Department of Agriculture

to the amount necessary to meet the normal demand plus a safety carry-over, several factors must be brought under a reasonable degree of control:

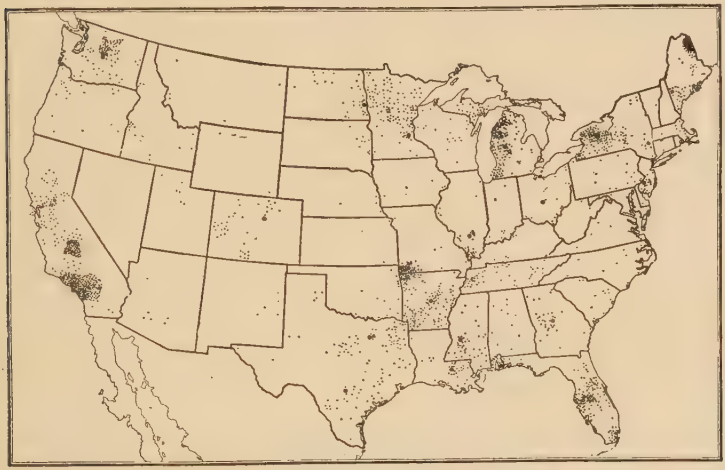
1. Some central authority (preferably the coöperative marketing association handling the commodity) must make a careful estimate of the amount of the commodity needed to meet the normal demand for the next year.

2. Some means must be found of securing the coöperation of the growers both inside and outside the coöperative in the matter of limiting production to the amount necessary to meet normal demand plus a safety carry-over.

3. A careful study of the variations in crop production arising from variations in weather and other natural conditions from

year to year must be made that the safety carry-over from fat years to lean years can be intelligently determined.

4. Coöperative marketing must be organized for all farm commodities so that production of all may be equally stimulated and a check be put on the tendency to reduce the plantings



FARMERS' BUSINESS ORGANIZATIONS HANDLING FRUITS AND VEGETABLES, 1923

Courtesy of the United States Department of Agriculture

of one crop not favored by coöperative marketing in order to increase the amount of another crop which is marketed better.

Several means of disposing of the surplus of farm crops have been proposed. One of these plans is that an export corporation should be formed by the Federal government to sell the surplus abroad at the best prices obtainable, the loss to be met from the public treasury. The opponents of this plan contend that it puts no check on overproduction at home and would operate to increase the surplus rather than to diminish it.

Another plan proposes that whenever a majority of the producers of any farm commodity have organized for the coöperative marketing of the commodity, the surplus may be sold

abroad under proper Federal regulation, and the loss be prorated back to all the producers of the commodity, both inside and outside the association, by means of a Federal sales tax on that commodity. It is argued that this would tend to check overproduction by the growers by making each grower directly responsible for the loss occasioned by his share in overproduction.

The more nearly all the growers of a farm commodity are included in the coöperative marketing association handling that commodity, the more can efficient business management be given to the problem of checking the economic waste caused by the creation of a surplus.

The more enlightened the members are, the better will they understand the principles involved, and the more quickly, willingly, and effectively will they respond to good business management in checking the surplus.

Since the safety carry-over from fat years to lean years is for the good of the whole people, many publicists believe that the expense of holding this off the market should be borne by the whole people and not by the growers alone.

These are a few of the big problems confronting coöperative marketing organizations in their present stage of development in the United States. These organizations now enroll about one million of the six and one-half million farmers. They are making steady, courageous progress toward the solution of their problems. Former Governor Lowden of Illinois says of them:

> Farmers' coöperative marketing associations are making real progress. Some have failed. Doubtless others still will fail. The mortality among them, however, has been no greater than among new business organizations of any kind of which I know. We have been gathering a large fund of experience which will enable not only those already organized, but new ones yet to be, to avoid largely the errors of the past. They are destined one day to occupy the entire field, for there is no other way out. Just when that happy day shall

come no man can tell. It depends largely upon the farmers themselves. I can foresee the day, though, I think, when everything produced upon the farm for the market will be marketed by the farmers themselves through the organization of their own creation. I like to think of the time when everything I produce upon my farm I can deliver to my own association in full confidence that as much intelligence and as large a bargaining power shall be exhibited by those representing me in the sale as are already exhibited now on the part of the buyer. I like to think of the time when the representatives of all these great farmers' organizations shall meet in a congress once a year and shall there work out a program for the future, just as other industries now meet annually for the purpose of forming an intelligent and coöperative program for the year.

# CHAPTER VIII

## COÖPERATIVE MARKETING LAWS

The old era of marketing by the individual farmer is passing away in America. The new era of group marketing of agricultural products is now coming on. The legal foundation for group marketing is now being laid. It is being laid broad and deep in constitutive statutes and in decisions of the courts of last resort.

In the case of industrial products which are produced by the great corporations in America today, group marketing is sanctioned, regulated, and protected by a body of laws and court decisions which have been built up during a period of more than a hundred years. It was not until very recently that group marketing of farm products was given the same sanction, regulation, and protection.

During the last ten years nearly all the states have considered laws for this purpose. To date, forty states have passed enabling legislation giving the new coöperative form of marketing farm products a sound legal basis. The Federal Congress has contributed to the same end by the passage of laws enabling coöperative marketing associations to engage in interstate and foreign commerce. During the past five years the supreme courts in a considerable number of states have handed down important decisions embedding the coöperative plan of marketing agricultural products more securely in the sanction and the protection of the law.

Because of the far-reaching importance of these new coöperative marketing laws a typical law is quoted here in full. A careful study of its provisions will do much to illuminate the new mode of marketing which is now coming on.

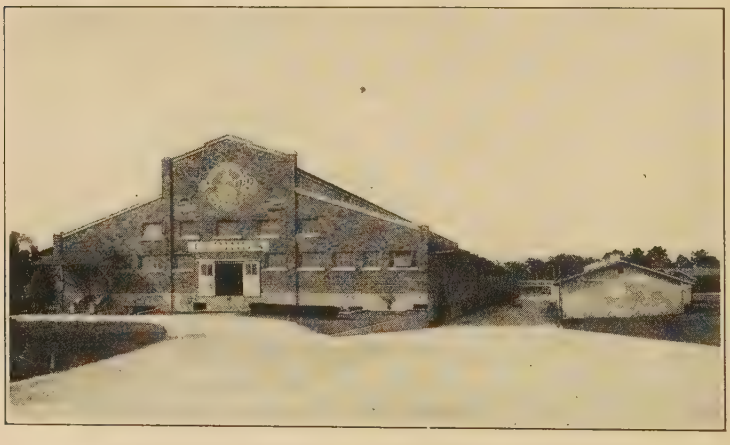
## THE BINGHAM COÖPERATIVE MARKETING ACT

PASSED AT THE REGULAR SESSION OF THE GENERAL ASSEMBLY; WHICH WAS BEGUN IN THE CITY OF FRANKFORT, KENTUCKY, ON TUESDAY, JANUARY THE THIRD, AND ENDED ON WEDNESDAY, MARCH THE FIFTEENTH, 1922.

### CHAPTER I

AN ACT authorizing the formation of non-profit, coöperative associations, with or without capital stock, for the purpose of encouraging the orderly marketing of agricultural products through coöperation; defining the various terms used therein; enumerating the activities and powers of such an association; prescribing the rights and privileges of membership; providing for articles of incorporation, declaring what they shall contain, manner of executing and filing, method of amending same; providing for by-laws and what they may contain; providing for method of election of directors, filling of vacancies; powers and duties of directors; division into election districts; appointment of executive committees and allotment of functions and powers; providing for officers, qualifications, election and functions; regulating issuance of membership certificates or stock payment therefor; limiting personal liability of members for debts of association; regulating voting power of members and stockholders; authorizing issuance of preferred stock, with or without right to vote; and the retirement thereof; providing for removal of officers and directors; providing for referendum to members; providing for a marketing contract; and prescribing remedies for breach of contract, including liquidated damages, fees and all costs; authorizing injunction and general equitable remedies in the event of breach of agreement; stating presumption of control of products by landlords who have signed marketing agreements; providing for annual reports; providing that no provision of law in conflict with this act shall be construed as applying to such association; providing that legal exemption of agricultural products in the possession of producers shall apply to such products in possession of, or under the control of, such associations; limiting the use of the word "Coöperative" in names for producers' coöperative marketing activities; and prescribing a penalty for violating such inhibition; permitting associations to organize other corporations or to own stock in other corporations; providing for agreements with other

coöperative associations in this or other states and stating the purposes or reasons therefor; providing that associations heretofore organized may reorganize hereunder; making it a misdemeanor to induce a member to breach his marketing contract with the association, or spread false reports about it and prescribing a fine for each offense; making such offender liable to the association for a prescribed penalty therefor in a civil suit; providing liability to the



THE LARGEST CITRUS PACKING-HOUSE IN FLORIDA

Coloring-rooms on the right. (From Mears and Tobriner's "Principles and Practices of Coöperative Marketing")

association in a penal sum in certain cases for any person who knowingly solicits, persuades or permits any member of the association to breach his marketing contract; authorizing an injunction against such warehouseman; and providing for payment of all fees and costs; and setting out the reasons for such provisions; providing that no such association shall be deemed a conspiracy or an illegal combination of monopoly or in violation of any law of this State; and providing that marketing contracts shall not be considered illegal; providing that if any section of this act shall be declared unconstitutional, the remainder of the act shall not be thereby affected; providing that the general corporation laws of this State shall apply to such associations, except where inconsistent with

express provisions hereof; providing for taxation respecting the association's shares and property; providing fees for filing articles of incorporation and amendments thereto; providing that this Act may be hereafter indexed, and cited as "The Bingham Coöperative Marketing Act," and declaring an emergency to exist.

*Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

1. *Declaration of policy.*

*a.* In order to promote, foster and encourage the intelligent and orderly marketing of agricultural products through coöperation; and to eliminate speculation and waste; and to make the distribution of agricultural products between producer and consumer as direct as can be efficiently done; and to stablize the marketing of agricultural products, this Act is passed.

2. *Definitions.*

As used in this Act,

*a.* The term "agricultural products" shall include horticultural, viticultural, forestry, dairy, live stock, poultry, bee and any farm products.

*b.* The term "member" shall include actual members of associations without capital stock and holders of common stock in associations organized with capital stock.

*c.* The term "association" means any corporation organized under this Act; and

*d.* The term "person" shall include individuals, firms, partnerships, corporations and associations.

Associations organized hereunder shall be deemed "non-profit," inasmuch as they are not organized to make profit for themselves, as such, or for their members, as such, but only for their members as producers.

*e.* For the purposes of brevity and convenience this Act may be indexed, referred to and cited as "The Bingham Coöperative Marketing Act."

3. *Who may organize.*

Twenty (20) or more persons, a majority of whom are residents of this State, engaged in the production of agricultural products, may form a non-profit, coöperative association, with or without capital stock, under the provisions of this Act.

4. *Purposes.*

An association may be organized to engage in any activity in connection with the marketing or selling of the agricultural products of its members, or with the harvesting, preserving, drying, processing, canning, packing, grading, storing, handling, shipping or utilization thereof, or the manufacturing or marketing of the by-products thereof; or in connection with the manufacturing, selling or supplying to its members of machinery, equipment or supplies; or in the financing of the above enumerated activities; or in any one or more of the activities specified herein.

5. *Preliminary investigation.*

Every group of persons contemplating the organization of an association under this Act is urged to communicate with the Dean of the College of Agriculture of the University of Kentucky, who will inform them whatever a survey of the marketing conditions affecting the commodities proposed to be handled may indicate regarding probable success.

It is here recognized that agriculture is characterized by individual production in contrast to the group or factory system that characterizes other forms of industrial production; and that the ordinary form of corporate organization permits industrial groups to combine for the purpose of group production and the ensuing group marketing and that the public has an interest in permitting farmers to bring their industry to the high degree of efficiency and merchandising skill evidenced in the manufacturing industries; and that the public interest urgently needs to prevent the migration from the farm to the city in order to keep up farm production and to preserve the agricultural supply of the nation; and that the public interest demands that the farmer be encouraged to attain a superior and more direct system of marketing in the substitution of merchandising for the blind, unscientific and speculative selling of crops; and that for this purpose, the farmer should secure special guidance and instructive data from the Dean of the College of Agriculture of the University of Kentucky.

6. *Powers.*

Each association incorporated under this Act shall have the following powers:

*a.* To engage in any activity in connection with the marketing,

selling, preserving, harvesting, drying, processing, manufacturing, canning, packing, grading, storing, handling or utilization of any agricultural products produced or delivered to it by its members, or the manufacturing or marketing of the by-products thereof; or any activity in connection with the purchase, hiring, or use by its members of supplies, machinery or equipment; or in the financing of any such activities; or in any one or more of the activities specified in this section. No association, however, shall handle the agricultural products of any non-member, except for storage.

*b.* To borrow money without limitation as to amount of corporate indebtedness or liability; and to make advances to members.

*c.* To act as the agent or representative of any member or members in any of the above mentioned activities.

*d.* To purchase or otherwise acquire; and to hold, own, and exercise all rights of ownership in; and to sell, transfer or pledge, or guarantee the payment of dividends or interest on, or the retirement or redemption of, shares of the capital stock or bonds of any corporation or association engaged in any related activity or in the warehousing or handling or marketing of any of the products handled by the association.

*e.* To establish reserves and to invest the funds thereof in bonds or in such other property as may be provided in the by-laws.

*f.* To buy, hold and exercise all privileges of ownership, over such real or personal property as may be necessary or convenient for the conduct and operation of any of the business of the association, or incidental thereto.

*g.* To do each and every thing necessary, suitable or proper for the accomplishment of any one of the purposes or the attainment of any one or more of the subjects herein enumerated; or conducive to or expedient for the interest or benefit of the association; and to contract accordingly; and in addition to exercise and possess all powers, rights and privileges necessary or incidental to the purposes for which the association is organized or to the activities in which it is engaged; and, in addition, any other rights, powers and privileges granted by the laws of this State to ordinary corporations, except such as are inconsistent with the express provisions of this Act; and to do any such thing anywhere.

7. *Members.*

*a.* Under the terms and conditions prescribed in the by-laws adopted by it, an association may admit as members, or issue common stock to, persons only engaged in the production of the agricultural products to be handled by or through the association, including the lessees and tenants of land used for the production of such products and any lessors and landlords who receive as rent all or part of the crop raised on the leased premises.

*b.* If a member of a non-stock association be other than a natural person, such members may be represented by any individual, associate, officer or manager or member thereof, duly authorized in writing.

*c.* One association organized hereunder may become a member or stockholder of any other association or associations organized hereunder.

8. *Articles of incorporation.*

Each association formed under this Act must prepare and file articles of incorporation, setting forth:

*a.* The name of the association.

*b.* The purposes for which it is formed.

*c.* The place where its principal business will be transacted.

*d.* The term for which it is to exist, not exceeding fifty (50) years.

*e.* The number of directors thereof, which must be not less than five (5) and may be any number in excess thereof; the term of office of such directors; and the names and addresses of those who are to serve as incorporating directors for the first term, or until election and qualification of their successors.

*f.* If organized without capital stock, whether the property rights and interest of each member shall be equal or unequal; and if unequal, the general rule or rules applicable to all members by which the property rights and interests, respectively, of each member may and shall be determined and fixed; and provision for the admission of new members who shall be entitled to share in the property of the association with the old members, in accordance with such general rule or rules. This provision or paragraph of the articles of incorporation shall not be altered, amended, or repealed except by the written consent or vote of three-fourths of the members.

*g*. If organized with capital stock, the amount of such stock and the number of shares into which it is divided and the par value thereof.

The capital stock may be divided into preferred and common stock. If so divided, the articles of incorporation must contain a statement of the number of shares of stock to which preference is

THE EQUITY UNION CREAMERY, ABERDEEN, SOUTH DAKOTA

This is one of the largest butter factories in the United States owned coöperatively by farmers

granted and the number of shares of stock to which no preference is granted and the nature and definite extent of the preference and privileges granted to each.

The articles must be subscribed by the incorporators and acknowledged by one of them before an officer authorized by the law of this State to take and certify acknowledgments of deeds and conveyances; and shall be filed in accordance with the provisions of the general corporation law of this State; and when so filed the said articles of incorporation, or certified copies thereof, shall be received in all the courts of this State and other places, as prima facie

evidence of the facts contained therein and of the due incorporation of such association. A certified copy of the articles of incorporation shall also be filed with the Dean of the College of Agriculture of the University of Kentucky.

9. *Amendments to articles of incorporation.*

The articles of incorporation may be altered or amended at any regular meeting or any special meeting called for that purpose. An amendment must first be approved by two-thirds of the directors and then adopted by a vote representing a majority of all the members of the association. Amendments to the articles of incorporation, when so adopted, shall be filed in accordance with the provisions of the general corporation law of this State.

10. *By-laws.*

Each association incorporated under this Act must, within thirty (30) days after its incorporation, adopt for its government and management, a code of by-laws, not inconsistent with the powers granted by this Act. A majority vote of the members or stockholders, or their written assent, is necessary to adopt such by-laws. Each association, under its by-laws, may provide for any or all of the following matters:

*a*. The time, place and manner of calling and conducting its meetings.

*b*. The number of stockholders or members constituting a quorum.

*c*. The right of members or stockholders to vote by proxy or by mail or both; and the conditions, manner, form, and effects of such votes.

*d*. The number of directors constituting a quorum.

*e*. The qualifications, compensation and duties and term of office of directors and officers; time of their election and the mode and manner of giving notice thereof.

*f*. Penalties for violations of the by-laws.

*g*. The amount of entrance, organization and membership fees, if any; the manner and method of collection of the same; and the purposes for which they may be used.

*h*. The amount which each member or stockholder shall be required to pay annually or from time to time, if at all, to carry on the business of the association; the charge, if any, to be paid by each member or stockholder for services rendered by the association to

him and the time of payment and the manner of collection; and the marketing contract between the association and its members or stockholders which every member or stockholder may be required to sign.

*i.* The number and qualification of members or stockholders of the association and the conditions precedent to membership or ownership of common stock; the method, time and manner of permitting members to withdraw or the holders of common stock to transfer their stock; the manner of assignment and transfer of the interest of members and of the shares of common stock; the conditions upon which and time when membership of any member shall cease; the automatic suspension of the rights of a member when he ceases to be eligible to membership in the association; and the mode, manner and effect of the expulsion of a member; the manner of determining the value of a member's interest and provision for its purchase by the association upon the death or withdrawal of a member or stockholder, or upon the expulsion of a member or forfeiture of his membership, or, at the option of the association, the purchase at a price fixed by conclusive appraisal by the board of directors. In case of the withdrawal or expulsion of a member, the board of directors shall equitably and conclusively appraise his property interests in the association and shall fix the amount thereof in money, which shall be paid to him within one year after such expulsion or withdrawal.

11. *General and special meetings — how called.*

In its by-laws, each association shall provide for one or more regular meetings annually. The board of directors shall have the right to call a special meeting at any time; and ten per cent of the members or stockholders may file a petition stating the specific business to be brought before the association and demand a special meeting at any time. Such meeting must thereupon be called by the directors. Notice of all meetings, together with a statement of the purposes thereof, shall be mailed to each member at least ten days prior to the meeting; provided, however that the by-laws may require instead that such notice may be given by publication in a newspaper of general circulation, published at the principal place of business of the association.

12. *Directors — election.*

The affairs of the association shall be managed by a board of not less than five directors, elected by the members or stockholders from

their own number. The by-laws may provide that the territory in which the association has members shall be divided into districts and that the directors shall be elected according to such districts, either directly or by district delegates elected by the members in that district. In such a case the by-laws shall specify the number of directors to be elected by each district, the manner and method of

A PICKING CREW IN THE APPLE ORCHARDS OF A FARMERS' COÖPERATIVE IN WASHINGTON

reapportioning the directors and of redistricting the territory covered by the association. The by-laws may provide that primary elections shall be held in each district to elect the directors apportioned to such districts and that the result of all such primary elections may be ratified by the next regular meeting of the association or may be considered final as to the association. The by-laws may provide that one or more directors may be appointed by any public official or commission or by the other directors selected by the members or their delegates. Such directors shall represent primarily the

interest of the general public in such associations. The director or directors so appointed need not be members or stockholders of the association; but shall have the same powers and rights as other directors. Such directors shall not number more than one-fifth of the entire number of directors.

An association may provide a fair remuneration for the time actually spent by its officers and directors in its service and for the service of the members of its executive committee. No director, during the term of his office shall be a party to a contract for profit with the association differing in any way from the business relations accorded regular members or holders of common stock of the association or others, or differing from terms generally current in that district.

The by-laws may provide for an executive committee and may allot to such committee all the functions and powers of the board of directors, subject to the general direction and control of the board.

When a vacancy on the board of directors occurs other than by expiration of term, the remaining members of the board, by a majority vote, shall fill the vacancy, unless the by-laws provide for an election of directors by district. In such a case the board of directors shall immediately call a special meeting of the members or stockholders in that district to fill the vacancy.

13. *Election of officers.*

The directors shall elect from their number a president and one or more vice presidents. They shall also elect a secretary and a treasurer, who need not be directors or members of the association; and they may combine the two latter offices and designate the combined office as secretary-treasurer; or unite both functions and titles in one person. The treasurer may be a bank or any depositary, and as such, shall not be considered as an officer, but as a function, of the board of directors. In such case, the secretary shall perform the usual accounting duties of the treasurer, excepting that the funds shall be deposited only as and where authorized by the board of directors.

14. *Stock — Membership certificate — when issued — Voting — Liability — Limitations on transfer and ownership.*

When a member of an association established without capital stock has paid his membership fee in full, he shall receive a certificate of membership.

No association shall issue stock to a member until it has been fully paid for. The promissory notes of the members may be accepted by the association as full or partial payment. The association shall hold the stock as security for the payment of the note; but such retention as security shall not affect the member's right to vote.

No member shall be liable for the debts of the association to an amount exceeding the sum remaining unpaid on his membership fee or his subscription to the capital stock, including any unpaid balance on any promissory notes given in payment thereof.

No stockholder of a coöperative association shall own more than one-twentieth ($\frac{1}{20}$) of the common stock of the association; and an association, in its by-laws, may limit the amount of common stock which one member may own to any amount less than one-twentieth ($\frac{1}{20}$) of the common stock.

No member or stockholder shall be entitled to more than one vote, regardless of the number of shares of common stock owned by him.

Any association organized with stock under this Act may issue preferred stock, with or without the right to vote. Such stock may be redeemable or retirable by the association on such terms and conditions as may be provided for by the articles of incorporation and printed on the face of the certificate.

The by-laws shall prohibit the transfer of the common stock of the association to persons not engaged in the production of the agricultural products handled by the association; and such restrictions must be printed upon every certificate of stock subject thereto.

The association may, at any time, as specified in the by-laws, except when the debts of the association exceed fifty (50) per cent of the assets thereof, buy in or purchase its common stock at the book value thereof, as conclusively determined by the board of directors, and pay for it in cash within one (1) year thereafter.

15. *Removal of officer or director.*

Any member may bring charges against an officer or director by filing them in writing with the secretary of the association, together with a petition signed by five per cent of the members, requesting the removal of the officer or director in question. The removal shall be voted upon at the next regular or special meeting of the association and, by a vote of the majority of the members, the association

may remove the officer or director and fill the vacancy. The director or officer, against whom such charges have been brought, shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present witnesses; and the person or persons bringing the charges against him shall have the same opportunity.

In case the by-laws provide for election of directors by districts with primary elections in each district, then the petition for removal of a director must be signed by twenty per cent of the members residing in the district from which he was elected. The board of directors must call a special meeting of the members residing in that district to consider the removal of the director; and by a vote of the majority of the members of that district, the director in question shall be removed from office.

16. *Referendum.*

Upon demand of one-third of the entire board of directors, any matter that has been approved or passed by the board must be referred to the entire membership or the stockholders for decision at the next special or regular meeting; provided, however, that a special meeting may be called for the purpose.

17. *Marketing contract.*

The association and its members may make and execute marketing contracts, requiring the members to sell, for any period of time, not over ten years, all or any specified part of their agricultural products or specified commodities exclusively to or through the association, or any facilities to be created by the association. If they contract a sale to the association, it shall be conclusively held that title to the products passes absolutely and unreservedly, except for recorded liens, to the association upon delivery; or at any other specified time if expressly and definitely agreed in the said contract. The contract may provide that the association may sell or re-sell the products delivered by its members, with or without taking title thereto; and pay over to its members the re-sale price, after deducting all necessary selling, overhead and other costs and expenses, including interest on preferred stock, not exceeding eight (8) per cent per annum, and reserves for retiring the stock, if any; and other proper reserves; and interest not exceeding eight (8) per cent per annum upon common stock.

18. *Remedies for breach of contract.*

*a.* The by-laws or the marketing contract may fix, as liquidated damages, specific sums to be paid by the member or stockholder to the association upon the breach by him of any provision of the marketing contract regarding the sale or delivery or withholding of products; and may further provide that the member will pay all costs, premiums for bonds, expenses and fees, in case any action is brought upon the contract by the association; and any such provisions shall be valid and enforceable in the courts of this State; and such clauses providing for liquidated damages shall be enforceable as such and shall not be regarded as penalties.

*b.* In the event of any such breach or threatened breach of such marketing contract by a member, the association shall be entitled to an injunction to prevent the further breach of the contract and to a decree of specific performance thereof. Pending the adjudication of such an action and upon filing a verified complaint showing the breach or threatened breach, and upon filing a sufficient bond, the association shall be entitled to a temporary restraining order and preliminary injunction against the member.

*c.* In any action upon such marketing agreements, it shall be conclusively presumed that a landowner or landlord or lessor is able to control the delivery of products produced on his land by tenants or others, whose tenancy or possession or work on such land or the terms of whose tenancy or possession or labor thereon were created or changed after execution by the landowner or landlord or lessor, of such a marketing agreement; and in such actions, the foregoing remedies for non-delivery or breach shall lie and be enforceable against such landowner, landlord or lessor.

19. *Purchasing business of other associations, persons, firms or corporations — Payment — Stock issued.*

Whenever an association, organized hereunder with preferred capital stock, shall purchase the stock or any property, or any interest in any property of any person, firm or corporation or association, it may discharge the obligations so incurred, wholly or in part, by exchanging for the acquired interest, shares of its preferred capital stock to an amount which at par value would equal the fair market value of the stock or interest so purchased, as determined by the board of directors. In that case the transfer to the association

of the stock or interest purchased shall be equivalent to payment in cash for the shares of stock issued.

20. *Annual reports.*

Each association formed under this Act shall prepare and make out an annual report on forms to be furnished by the Dean of the College of Agriculture of the University of Kentucky, containing the name of the association; its principal place of business; and a general statement of its business operations during the fiscal year, showing the amount of capital stock paid up and the number of stockholders of a stock association or the number of members and amount of membership fees received, if a non-stock association; the total expenses of operations; the amount of its indebtedness or liabilities, and its balance sheets.

21. *Conflicting laws not to apply.*

Any provisions of law which are in conflict with this Act shall not be construed as applying to the associations herein provided for.

Any exemptions under any and all existing laws applying to agricultural products in the possession or under the control of the individual producer, shall apply similarly and completely to such products delivered by its farmer members, in the possession or under the control of the association.

22. *Limitation of the use of term "coöperative."*

No person, firm, corporation or association, hereafter organized or doing business in this State, shall be entitled to use the word "coöperative" as part of its corporate or other business name or title for producers' coöperative marketing activities, unless it has complied with the provisions of this Act.

Any person, firm, corporation or association now organized and existing, or doing a producers' coöperative marketing business in this State and embodying the word "coöperative" as part of its corporate or other business name or title, and which is not organized in compliance with the provisions of this Act, must, within six months from the date at which this Act goes into effect, eliminate the word "coöperative" from its said corporate or other business name or title.

23. *Interest in other corporations or associations.*

An association may organize, form, operate, own, control, have an interest in, own stock of, or be a member of any other corpora-

tion or corporations, with or without capital stock, and engaged in preserving, drying, processing, canning, packing, storing, handling, shipping, utilizing, manufacturing, marketing or selling of the agricultural products handled by the association, or the by-products thereof.

If such corporations are warehousing corporations, they may issue legal warehouse receipts to the association against the commodities delivered by it, or to any other person and such legal warehouse receipts shall be considered as adequate collateral to the extent of the usual and current value of the commodity represented thereby. In case such warehouse is licensed or licensed and bonded under the laws of this State or the United States, its warehouse receipt delivered to the association on commodities of the association or its members, or delivered by the association or its members, shall not be challenged or discriminated against because of ownership or control, wholly or in part, by the association.

24. *Contracts and agreements with other associations.*

Any association may, upon resolution adopted by its board of directors, enter into all necessary and proper contracts and agreements and make all necessary and proper stipulations, agreements and contracts and arrangements with any other coöperative corporation, association or associations, formed in this or in any other State, for the coöperative and more economical carrying on of its business or any part or parts thereof. Any two or more associations may, by agreement between them, unite in employing and using or may separately employ and use the same personnel, methods, means and agencies for carrying on and conducting their respective businesses.

25. *Associations heretofore organized may adopt the provisions of this Act.*

Any corporation or association, organized under previously existing statutes, may, by a majority vote of its stockholders or members, be brought under the provisions of this Act by limiting its membership and adopting the other restrictions as provided herein. It shall make out in duplicate a statement signed and sworn to by its directors to the effect that the corporation or association has, by a majority vote of the stockholders or members, decided to accept the benefits and be bound by the provisions of this Act and has

EVANGELICAL
SCHOOL OF THEOLOGY


authorized all changes accordingly. Articles of incorporation shall be filed as required in Section 8, except that they shall be signed by the members of the then board of directors. The filing fee shall be the same as for filing an amendment to articles of incorporation.

*a*. Where any association may be incorporated under this Act, all contracts heretofore made by or on behalf of same by the promoters thereof in anticipation of such association becoming incorporated under the laws of this State, whether such contracts be made by or in the name of some corporation organized elsewhere and when same would have been valid if entered into subsequent to the passage of this Act, are hereby validated as if made after the passage of this Act.

26. *Misdemeanor to induce breach of marketing contract of co-operative association — Spreading false reports about the finances or management thereof.*

Any person or persons or any corporation whose officers or employees knowingly induce or attempt to induce any member or stockholder of an association organized hereunder to breach his marketing contract with the association, or who maliciously and knowingly spreads false reports about the finances or management thereof, shall be guilty of a misdemeanor and be subject to a fine of not less than one hundred ($100) dollars and not more than one thousand ($1,000) dollars for each such offense; and shall be liable to the association aggrieved in a civil suit in the penal sum of five hundred ($500) dollars for each such offense.

27. *Warehousemen liable for damages for encouraging or permitting delivery of products in violation of marketing agreements.*

Any person, firm or corporation conducting a warehouse within the State of Kentucky who solicits or persuades or permits any member of any association organized hereunder to breach his marketing contract with the association by accepting or receiving such member's products for sale or for auction or for display for sale, contrary to the terms of any marketing agreement of which said person or any member of the said firm or any active officer or manager of the said corporation has knowledge or notice, shall be liable to the association aggrieved in a civil suit in the penal sum of five hundred ($500) dollars for each such offense; and such association shall be entitled to an injunction against such warehouseman

to prevent further breaches and a multiplicity of actions thereon. In addition, said warehouseman shall pay to the association a reasonable attorney's fee and all costs involved in any such litigation or proceedings at law.

This section is enacted in order to prevent a recurrence or outbreak of violence and to give marketing associations an adequate remedy in the courts against those who encourage violation of coöperative contracts.

28. *Associations are not in restraint of trade.*

Any association organized hereunder shall be deemed not to be a conspiracy nor a combination in restraint of trade nor an illegal monopoly; nor an attempt to lessen competition or to fix prices arbitrarily or to create a combination or pool in violation of any law of this State; and the marketing contracts and agreements between the association and its members and any agreements authorized in this Act shall be considered not to be illegal nor in restraint of trade nor contrary to the provisions of any statute enacted against pooling or combinations.

29. *Constitutionality.*

If any section of this Act shall be declared unconstitutional for any reason, the remainder of this Act shall not be affected thereby.

30. *Application of general corporation laws.*

The provisions of the general corporation laws of this State and all powers and rights thereunder, shall apply to the associations organized hereunder, except where such provisions are in conflict with or inconsistent with the express provisions of this Act.

31. *Taxation.*

The shares of corporations organized under this Act shall be taxable as against the owner thereof of the period of assessment of other personal property for taxation in this State.

Such shares will represent in the aggregate all the property held or owned by such corporation, and when taxed as against the individual owner, all of the property in the name of said association will thereby be taxed.

Under existing law, crops grown in the year of assessment are exempt from tax whilst owned by the producer. So much of the value of each share of said stock as may represent the owner's proportion of crops grown by him and delivered to the association as

herein provided, shall be exempt from taxation, inasmuch as it is the same thing exempted now by the constitution and laws of this State to such grower.

32. *Filing fees.*

For filing Articles of Incorporation, an Association organized hereunder shall pay Ten ($10) Dollars; and for filing an amendment to the Articles, Two and 50-100 ($2.50) Dollars.

33. WHEREAS, the agricultural interests of the State are of the utmost importance to the people of Kentucky; and

WHEREAS, a demoralized condition of the farming interests of the State exists, injuriously affecting all other business; and

WHEREAS, the highest interests of the State generally, demand immediate relief; and

WHEREAS, this Act is designed and intended to afford such relief,

THEREFORE, an emergency is declared to exist and this Act shall become effective immediately upon its passage and approval as required by law.

APPROVED JANUARY 10, 1922.

Through acts similar to the foregoing the coöperative marketing of farm products has now been given legal sanction and direction in forty states. Through Federal legislation coöperative marketing associations have been enabled to enter into interstate commerce and world trade. These laws were secured through the careful presentation of the demoralized and decadent condition of agriculture to all people by the American Farm Bureau Federation, the Farmers' Union, the Grange, and other farm societies. They have grown out of the universal belief that the prosperity of agriculture is necessary to the common weal. They provide for the group marketing of specific commodities on a commercial basis and sanction the efforts of the farmer to develop bargaining power equal to that of the other industries with which he exchanges products.

# CHAPTER IX

## ARTICLES OF INCORPORATION AND BY-LAWS OF COÖPERATIVE MARKETING ASSOCIATIONS

Coöperative marketing associations are required by law to file articles of incorporation and to adopt a code of by-laws. Typical examples are here given in full. A study of the articles of incorporation reveals the purpose, the place of business, the length of life, and the form of organization of the particular coöperative marketing association. A study of the by-laws reveals the form of government and management which the members have adopted for themselves.

### ARTICLES OF INCORPORATION OF THE OKLAHOMA WHEAT GROWERS' ASSOCIATION

We, the undersigned, all of whom are residents and citizens of the State of Oklahoma, do hereby voluntarily associate ourselves together for the purpose of forming a corporation, without capital stock, under the laws of the State of Oklahoma.

I

The name of this corporation shall be Oklahoma Wheat Growers' Association.

II

The purpose for which the Oklahoma Wheat Growers' Association is formed:

*a*. To promote, foster and encourage the business of producing and marketing wheat coöperatively; to minimize speculation and waste, in the production and marketing of wheat and wheat products; to stabilize wheat markets; to handle coöperatively and collectively the problems of wheat growers.

*b*. To engage in any activity in connection with the production,

grading, handling, processing, storing, shipping, warehousing and marketing of wheat or wheat products for domestic or export trade and in the financing of any said operations.

*c.* To purchase and sell any wheat or wheat products and to purchase and sell machinery, equipment or supplies used in any of the above-mentioned activities, either by the Association or by the members thereof.

A COUNTRY ELEVATOR OF THE MANITOBA WHEAT POOL, A FARMERS' COÖPERATIVE

*d.* To borrow money and to make advances to the members of the Association.

*e.* To lend money to the members of the Association upon any adequate security; and to accept as collateral for any such loans, warehouse receipts, crop mortgages, chattel mortgages, mortgages, deeds of trust or any other kind of property or security permitted by law.

*f.* To endorse, guarantee the payments of, or secure in any way, commercial paper or negotiable instruments signed by any member of the Association, or by any related or subsidiary corporation or Association.

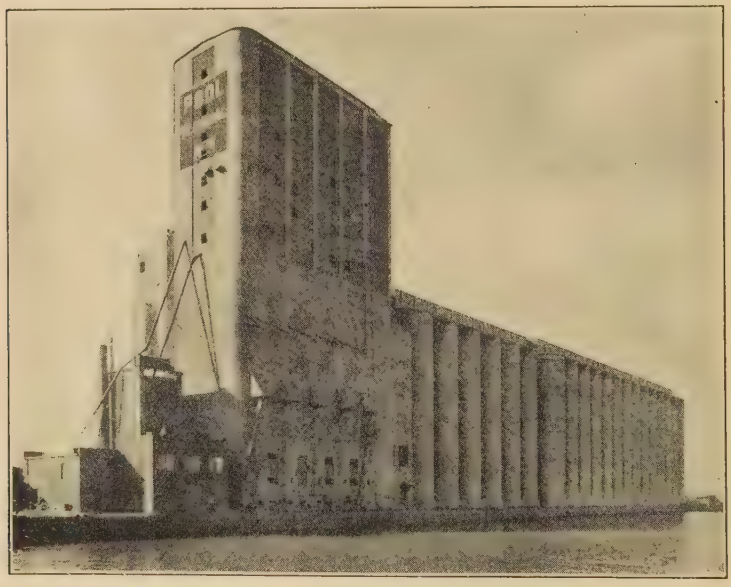
*g.* To sell, issue, discount or borrow money upon any commercial paper or negotiable instruments, or promissory notes or warehouse receipts, or mortgages or bonds, or any other kind of property or security owned by or under the control of the Association.

*h.* To act as the agent, representative or broker of its members in any of the above activities.

*i.* To purchase or otherwise acquire, and to hold, own, exercise all rights of ownership, sell, transfer or pledge shares of the capital

stock, or bonds, or securities of any corporation or association engaged in the processing, or grading, or storing, or shipping, or handling or marketing of any wheat or wheat products.

*j*. To buy, hold, lease, construct, contract for the use of and exercise all privileges of ownership over such real or personal property



A TERMINAL ELEVATOR OF THE MANITOBA WHEAT POOL

This elevator is located at Winnipeg, Canada. It furnishes storage facilities for one of the large coöperative marketing associations of wheat-growing farmers in western Canada

as may be necessary or convenient for the conduct and operation of any of the business of the Association.

*k*. To acquire, own, develop any interest in patents, trade-marks or copyrights.

*l*. And to do each and every thing necessary, suitable or proper, in the judgment of the directors of this Association, anywhere through the world, for the accomplishment of any of the purposes or attainment of any one or more of the objects herein enumerated, or which shall at any time appear conducive to or expedient for the

interests or benefits of this Association and the members thereof, and to contract accordingly.

The Oklahoma Wheat Growers' Association shall make no profits from any of its activities; but all of its operations shall be commercial but coöperative in character.

The operations and activities of this Association shall be limited to activities arising out of the production, processing, grading, shipping, storing, warehousing, handling and marketing of the wheat or wheat products of its members only and to the financing of any of the said operations of its members.

The Oklahoma Wheat Growers' Association shall not be permitted to buy or sell wheat except from and for its members only and on a standard coöperative basis. It shall not buy any wheat whatsoever from non-members, or be permitted to go in the open market to buy wheat or any wheat products whatsoever.

The Oklahoma Wheat Growers' Association is expressly forbidden to do anything with the intent or effect of limiting or fixing the price; or of lessening the production or sale of any product; or of lessening the use or consumption of any product; or of restricting or limiting the output of any product; but this Association shall do everything within its power to prevent speculation in the handling of wheat and wheat products and to secure for its members a fair price for their wheat or wheat products in the markets of the world; and to increase the production, sale, use and consumption of wheat and wheat products by all possible commercial and merchandizing methods; and to use every possible means to extend and increase both the supply and the demand for wheat and wheat products.

The Oklahoma Wheat Growers' Association shall have no capital stock and shall not be organized or operated for profit; but all of its operations shall be for the mutual benefit of its members, all of whom are wheat growers in the State of Oklahoma.

This Association shall have and exercise all powers and rights authorized by the laws of this State and all powers and rights incident thereto.

III

The principal place of business of the Oklahoma Wheat Growers' Association shall be Enid, Garfield County, State of Oklahoma.

IV

The term for which the Oklahoma Wheat Growers' Association is to exist is Twenty (20) years from and after the date of incorporation.

V

The Oklahoma Wheat Growers' Association shall be managed by a board of eleven directors. [The names of the original directors follow.]

VI

The Oklahoma Wheat Growers' Association shall not have any capital stock; but shall admit members into the Association upon payment of an entrance fee of Ten ($10.00) Dollars and other uniform conditions.

The voting power of the members of this Association shall be equal, and each member shall have one vote only.

The property rights of each member shall be equal; and each member shall have one unit of property rights only.

## BY-LAWS OF THE TENNESSEE COTTON GROWERS' ASSOCIATION

We, the undersigned, together constituting and being all the Members, Directors and Incorporators of Tennessee Cotton Growers' Association, a coöperative marketing association, without capital stock and not conducted for profit, do hereby adopt the following code of By-Laws, as and for the By-Laws of said Association.

### ARTICLE I

Tennessee Cotton Growers' Association may be hereinafter referred to as the Association.

The purposes for which this Association is formed are set forth in the second paragraph of the Articles of Incorporation of the Association.

### ARTICLE II. BOARD OF DIRECTORS

#### Number

Section 1. The Corporate powers, business and property of the Association shall be exercised, conducted and controlled by a Board of Directors of eleven members.

ELECTION

SECTION 2. *a.* The Directors shall be elected annually at the regular annual meeting of the members from the membership of the Association, and shall hold office until their successors shall have been elected and shall have qualified.

*b.* The members shall elect ten Directors from among members actually residing and growing cotton in the respective districts from which elected.

Each district shall include approximately the same estimate production as the other district, so far as practicable; but counties within each district shall be held intact.

These districts shall first be the district specified by the Organization Committee, as follows:

District I. Shelby and Tipton Counties.
District II. Fayette County.
District III. Haywood, Lauderdale and Crockett Counties.
District IV. Madison County.
District V. Dyer, Gibson, Obion, Weakley and Henry Counties.
District VI. Lake County.
District VII. Carroll, Henderson, Chester and Decatur Counties.
District VIII. Hardeman, McNairy and Hardin Counties.
District IX. Lawrence and Giles Counties.
District X. Rutherford County.

Annually, at least twenty days prior to the primary meetings, the Board of Directors, by a majority vote, shall change the said districts and the counties included therein, so as to maintain at all times fair and equitable representation of the cotton producing counties and districts included in the membership.

*c.* One Director shall be a person nominated jointly in writing by the President of the University of Tennessee and the Commissioner of Agriculture of Tennessee, and when approved by the Directors, he shall have full authority as a Director, representing primarily the interests of the general public in the conduct of the Association. Such Public Director need not be a grower of cotton.

VACANCIES

SECTION 3. Vacancies in the Board of Directors, with the exception of Public Director, shall be filled by the other Directors in

office; and such new Directors shall hold office until the election of their successors by the members.

In filling any such vacancy, the Directors shall select a member actually residing and growing cotton in the district, whose representation is missing.

In the case of the Public Director, the vacancy shall be filled, as provided in paragraph (*c*) of Section 2 of this Article, by the persons or officials who originally nominated the Director whose place is to be filled.

Any Director, except a Public Director, who ceases to be a member or who violates any contract with this Association in any particular, shall cease to be a member of the Board as soon as a majority thereof pass a resolution to such effect.

### First Meeting of Directors

Section 4. Immediately after each election of Directors, the newly elected Directors shall hold a regular meeting and organize by the election of a President, two Vice-Presidents, a Secretary and a Treasurer; and transact any other business. Such officers shall hold office for one year and until their successors are elected and take office. Notice of such meeting is hereby dispensed with.

### Regular Meetings

Section 5. In addition to the first meeting mentioned above, a regular meeting of the Board of Directors shall be held monthly at such time and place as the Board may determine.

### Notice of Regular Meeting of Directors

Section 6. Notice of the regular meetings of the Directors shall be mailed to each Director at his last known address at least five days prior to the time of such meeting.

### Special Meetings

Section 7. A special meeting of the Board of Directors shall be held whenever called by the President or by a majority of the Directors. Any and all business may be transacted at a special meeting. Each call for a special meeting shall be in writing, signed by the person or persons making the same, addressed and delivered to the Secretary; and shall state the time and place of such meeting.

NOTICE OF SPECIAL MEETING

SECTION 8. Notice of each special meeting of the Directors shall be telegraphed to each Director, at his last known place of address at least three days prior to the time of such meeting.

QUORUM

SECTION 9. Seven Directors shall constitute a quorum of the Board at all meetings.

COMPENSATION

SECTION 10. The Directors shall receive no compensation for their services as Directors other than reimbursement for railroad fares actually expended by them in attending the meetings of the Board of Directors and any other necessary traveling and hotel expenses; and a per diem of $10 for the time actually covered by attendance at meetings, or on authorized business of the Association, and traveling thereto and therefrom.

The Directors may, in their discretion, provide reasonable compensation for the members of the Executive Committee of the Board, plus all expenses.

## ARTICLE III. POWERS OF DIRECTORS

The Directors shall have the power:

1. To conduct, manage and control the affairs and business of the Association; and to make rules and regulations for the guidance of the officers and management of its affairs.

2. To appoint and remove, at pleasure, all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require from them, if advisable, security for faithful service.

3. To call special meetings of the members when they deem it necessary; and they must call a meeting at any time upon the written request of one-tenth of the members.

4. To make and enter into agreements with spinners, buyers, or others for the sale of, marketing or consignment of the cotton grown by members of the Association or the products therefrom.

5. To carry out the marketing contracts of the Association and growers, in every way advantageous to the Association representing the growers collectively.

6. To select one or more banks to act as the depositary of the funds of the Association and to determine the manner of receiving, depositing and disbursing the funds of the Association and the form of checks and the person or persons by whom the same shall be signed, with the power to change such banks and the person or persons signing said checks and the form thereof at will.

ARTICLE IV. DUTIES OF DIRECTORS

It shall be the duty of the Board of Directors:

1. To keep a complete record of all its acts and of the proceedings of its meetings; and to present a full statement at the regular

AWAITING THEIR TURN AT THE COTTON GIN

More than three hundred thousand farmers are now members of coöperative associations for marketing cotton

annual meetings of the members, showing in detail the condition of the affairs of the Association.

2. To supervise all officers, agents and employees and see that their duties are properly performed.

3. To cause to be issued appropriate certificates of membership.

4. To install such a system of bookkeeping and auditing that each member may know and be advised from time to time fully concerning the receipts and disbursements of the Association.

ARTICLE V. OFFICERS

The officers of the Association shall be a President, two Vice-Presidents, Secretary and Treasurer, together with any other

administrative officers, whom the Board of Directors may see fit to provide for in its discretion by resolution entered upon the minutes.

The Board may appoint assistant secretaries, in its discretion, and may delegate to them any or all of the duties of the Secretary, hereunder, or any other duties.

The compensation and tenure of all officers shall be fixed by the Board of Directors.

The Secretary or Treasurer need not be a member of the Board or of the Association.

### ARTICLE VI. THE PRESIDENT

If at any time the President shall be unable to act, a Vice-President shall take his place and perform his duties; and if a Vice-President shall be unable to act, the Board shall appoint a Director to do so. The President, such Vice-President or Director shall:

1. Preside over all meetings of members and Directors;
2. Subject to the advice of the Directors, direct the affairs of the Association;
3. Call the Directors together whenever necessary;
4. Sign, as President, all certificates of membership, and all contracts, notes and other instruments when so directed by the Board of Directors;
5. Discharge such other duties as may be required of him by these By-Laws or by the Board of Directors.

### ARTICLE VII. SECRETARY AND TREASURER

It shall be the duty of the Secretary:

1. To keep a record of the proceedings of the meetings of the Board of Directors and of the Members;
2. To keep the corporate seal and the book of blank Membership Certificates; fill up and countersign all Certificates issued and affix said corporate seal to all papers requiring a seal;
3. To keep a proper membership book, showing the name of each member of the Association, the number of his Membership Certificate, and date of issuance, surrender, cancellation, forfeiture or transfer;

4. To receive and deposit all funds of the Association to be paid out only on check drawn as hereinabove provided and account for all receipts, disbursements and balances on hand;

5. To furnish a bond in such form and in such amount as the Board of Directors may, from time to time, require;

6. To execute and sign all contracts, notes, papers and documents as Secretary;

7. To act as Secretary of the Executive Committee;

8. To discharge such other duties as pertain to his office or may be prescribed by the Board of Directors.

It shall be the duty of the Treasurer to take general charge of the funds of the Association, as directed by the Board of Directors.

The Secretary may be the same person as the Treasurer; the Treasurer need not be a natural person, but may be a corporation and preferably a banking corporation.

### ARTICLE VIII. EXECUTIVE COMMITTEE

The Board of Directors shall appoint an Executive Committee of five members from among its members; determine its tenure of office and its powers and duties. The President and both Vice-Presidents shall be elected regular members of said Executive Committee; and there shall be only two other members.

The Executive Committee shall have such duties and powers as may, from time to time, be prescribed by the Board of Directors and these duties and powers may be all of the duties and powers of the said Board of Directors, subject to the general direction, approval and control of the Board of Directors.

Copies of the minutes of the meetings of the Executive Committee and any reports thereof, must be mailed weekly to all Directors.

### ARTICLE IX. AUDITING COMMITTEE

The Board of Directors may appoint an Auditing Committee from among its members, determine the number of its members and its tenure of office. The Board may prescribe rules and regulations with reference to the manner and form in which claims shall be presented against the Association and the manner of auditing the same; and in lieu of such action by the Board, the Auditing Committee

may prescribe such rules and regulations with reference to its meetings and procedure.

The Board, in its discretion, may delegate these functions to the Secretary or to an Auditor.

An annual audit shall be made by a certified public accountant and a report shall be filed by him with the Board of Directors prior to the annual meeting.

### ARTICLE X. ADVISORY COMMITTEES AND LOCAL BRANCHES

*a.* The Board of Directors of the Association may create Advisory Committees of members in the various districts. The Directors shall designate the districts and the number of members for each such Advisory Committee and the method of selecting the members thereof or the Board of Directors may itself select and appoint the members thereof. The Board of Directors shall determine the term, functions and privileges of such Advisory Committees.

*b.* Informal local branches of the Association shall be created and maintained in each district. Each branch shall have its own officers, who may attend meetings of the Board of Directors and act in an advisory capacity.

### ARTICLE XI. BOOKS AND PAPERS

The books of the Association and such papers as may be placed on file by a vote of the Board of Directors shall, at all times during business hours, be subject to the inspection of the Board and of any member of the Association or his representative, duly authorized in writing.

### ARTICLE XII. MEETINGS OF MEMBERS

#### Regular Meetings

Section 1. A regular meeting of the members shall be held at the office of the Association at Memphis, Tennessee, on the 1st Wednesday in May of each year for the purpose of electing a Board of Directors and transacting such other business as may come before the meeting.

#### Special Meetings

Section 2. Except where otherwise prescribed by law or elsewhere in these By-Laws, a special meeting of the members may be

called at any time by the President or by a majority of the Board of Directors or by one-tenth of the membership. Each such call shall be in writing and shall state the time, place and the purpose of such meeting. No business shall be transacted at a special meeting other than as is stated in the purposes for the call.

### Notice of Regular Meetings

Section 3. Notice of each regular meeting of the members shall be given. Such notice must state the time and place of the meeting; and that the purposes thereof are the election of a Board of Directors and the transaction of such other business as may come before the meeting. A copy thereof shall be mailed to each member of the Association at least ten days prior to the time for holding such meeting; or, in lieu thereof, may be announced by publication in any three daily newspapers of general circulation in Tennessee, including one published at Memphis, Tennessee, for ten continuous issues, the last to be not more than ten days prior to the time of meeting.

### Notice of Special Meetings

Section 4. Notice of each special meeting shall be given by mailing to each member a copy of the call for such meeting, as his address shall appear upon the books of the Association, at least ten days prior to the time fixed for such meeting; or by publication, as above provided.

### Quorum

Section 5. At any meeting a tenth of the members and in numbers at least 531 present in person or present as voting by mail, shall constitute a quorum for all purposes, including the election of Directors, except when otherwise provided by law.

### Primary Elections

Section 6. The members in each district shall meet annually for a primary election, to be held in the districts and conducted as, where and when specified by the Directors; and shall select two members in each district to be presented as the nominees for the Directors to represent such district. Final meetings shall then be held in each district to elect the Director for such district.

If unable to attend, members may vote at the primary and other meetings or elections by mail, on a signed ballot prepared under the direction of the Board of Directors. Participation in such final meetings or elections, in person or by mailed ballot, shall be included as attendance in calculating the quorum for the annual meeting of members and all votes cast in any district shall be deemed cast for the directors from the respective districts.

SECTION 7. The Directors shall be elected at the annual meetings to be held on the 1st Wednesday in May of each year; and the district meetings shall be deemed binding upon and attendance at this meeting; and the Directors chosen by the District elections shall be deemed elected at the said annual meeting by all votes cast throughout all the districts.

SECTION 8. The Board of Directors shall from time to time determine the rules of conduct of the primary or other elections; and shall determine the conditions and circumstances under which ballots shall be received; and may make any rules and regulations to control the procedure or acceptance of ballots at any such elections.

## ARTICLE XIII. GENERAL PROVISIONS CONCERNING MEMBERS

### NOT A PROFIT CORPORATION

*a.* This Association is organized without capital stock, for the purpose of serving its members only and providing all of its facilities to them upon uniform rules and regulations to be prescribed by the Board of Directors of the Association.

### MEMBERS — WHO ELIGIBLE

*b.* Any person, firm or corporation or a manager, or officer of any corporation, or a member of any firm engaged in the production of cotton, may be admitted to the Association and shall have voting power and property rights therein on the same basis as all other members, in accordance with the general rules herein stated. The Association may include in its membership any cotton grower, including the landlord or tenant or lessor or lessee of land on which cotton is grown, provided the landlord or lessor receives all or part of the rental in cotton. All members agree to abide by all of the

rules, regulations and By-Laws of the Association with reference to the handling and marketing of their cotton or cotton products. All members will sign standard Marketing Agreements from time to time, covering the cotton or cotton products produced by or for them, when and as such agreements are approved by the Board of Directors and presented to the members for signature and acceptance.

The present cotton Marketing Agreement is attached hereto and made a part hereof.

All members shall be bound by all the terms of any such agreements.

*c.* All members shall be bound by the obligations and provisions of the original Association Agreement, a copy of which is attached hereto and made a part hereof.

*d.* No member shall be permitted to withdraw from this Association during any period in which he is bound to deliver any products to this Association under a term contract.

MEMBERSHIP CONTRACTS

*e.* This Association shall issue a Certificate of Membership to each member who has signed a Marketing Agreement, in such form as may be provided by the Directors; but said membership shall not, nor shall said Certificate thereof, be assigned by said member to any other person; nor shall a purchaser at execution sale, or any other person who may succeed by operation of law or otherwise, to the property interests of a member, be entitled to membership or to become a member of the Association by virtue of such transfer. The Board of Directors of the Association may, however, consent to any assignment and transfer and the acceptance of the assignee or transferee as a member of the Association. The Board will establish reasonable rules and regulations authorizing the acceptance of a transferee and recognizing as a member the purchaser of a member's land or lease, who acquires such member's certificate of membership after signing a marketing agreement; and determine the conditions under which the executor or administrator of a deceased member may continue as a member representing such deceased member; and the requirements for the issuance and transfer of an appropriate

membership certificate to the successor or successors in interest of such member's land or lease and likewise the conditions for transfer of rights and certificate to a purchaser at execution sale and any successor by operation of law.

### Members to market Output in Accordance with Rules of Association

*f.* No person shall be or remain a member of this Association unless he is and remains qualified as provided in Subdivision *b* of Article XIII hereof; not unless he shall market all cotton grown or owned by him in compliance with all the terms and provisions of the Marketing Agreements referred to in Subdivision *b* of Article XIII hereof and then in force; but no such person shall cease to be a member hereof unless and until the Board of Directors, by a majority vote, passes a specific resolution to that effect.

If any person shall cease, fail or neglect or refuse for any reason whatsoever to market all or any of the cotton owned or grown by him, as provided by the said Marketing Agreements, then the Board of Directors may cancel his membership and his certificate and expel him from membership in this Association; and all of his rights and interests therein shall by that act be cancelled and such member shall be entitled only to payment, as provided by law, of the equitably appraised cash value of his interest in the property of the Association.

The expulsion of any member or any penalty imposed upon him for the breach of any of these By-Laws shall be separate from and in addition to the provisions of the Standard Marketing Agreements in reference to liquidated damages or other remedies. It is expressly understood that the Association may exercise any rights whatsoever under the said Standard Marketing Agreements for a breach of such agreements, and, in addition, impose any penalty set forth in these By-Laws for the express violation of a By-Law.

### Voting Power of Members

*g.* The voting power of the members of this Association shall be equal; and each and every member hereof shall have one vote.

PROPERTY RIGHTS AND INTERESTS

*h.* The property rights and interests of each member in the property of the Association shall be equal; and each and every member hereof shall have one unit of property rights and interests.

*i.* The Association, by action of the Board of Directors shall have the full right to purchase the full interest of any member in the property or other rights of the Associations at the book value thereof,

BLOSSOMING TIME IN THE ORCHARDS OF THE WENATCHEE COÖPERATIVE APPLE GROWERS

Saddle Rock in the background

whenever, in the judgment of the said Board, it is essential to the interests of the Association so to do; and the statement of book value thereof by the Board of Directors shall be conclusive. Any member whose rights are so purchased shall cease to be a member of the Association and his Membership Certificate shall thereupon be cancelled.

NEW MEMBERS

*j.* Any person, firm or corporation properly qualified may be admitted to the Association and shall have voting power and property rights therein on the same basis as all other members, in accordance with the general rules hereinabove stated.

BOARD TO ESTABLISH STANDARD AND GRADES

*k.* The Board of Directors shall have the power to establish and to revise and amend from time to time rules and regulations by which each member shall be governed with reference to the proper handling and shipping of cotton and to secure a proper classification of grades and standard of quality.

MEMBERSHIP OR ENTRANCE FEE

*l.* Every person shall pay to the Association upon entering the Association, a membership fee, due and payable, upon entrance, of Ten ($10) Dollars.

If said entrance fee is not actually paid when due, it shall be charged against the account of the member and be deducted from his net returns under the Standard Marketing Agreements and these By-Laws.

EXPENSE OF MAINTAINING THE ORGANIZATION

*m.* All expenses of maintaining the Association, including among other things, rent, salaries, taxes, insurance, office and inspection expense, building, reserves, marketing and all other expenses, shall be met so far as possible from the membership fees and thereafter from the charge provided in the marketing Agreements.

Any surplus over and above actual expenditures and obligations of the Association shall be conclusively presumed to be a surplus arising out of the costs and charges referred to in paragraph six of the Standard Marketing Agreements.

*n.* The members shall not be liable for debts of this corporation except to the extent of any unpaid portion of their entrance or membership fees herein.

PENALTIES

*o.* In the event that any member knowingly violates any of these By-Laws, he shall be liable to the Association for the payment of a penalty of Fifty Dollars for each and every violation.

Such penalties shall be imposed only by affirmative vote of at least seven of the Directors and shall be in addition to any other punishments or penalties under these By-Laws and in addition to any rights, vested in the Association under the Standard Marketing Agreements for any violations thereof.

POOLS

*p*. The Board of Directors of this Association will provide for separate pools in the marketing of cotton by grade, quality or other commercial classification.

All returns to the members of this Association shall be based on the net proceeds for each of the said pools, less all charges provided in the Marketing Agreement and By-Laws of this Association, depending on their individual deliveries to each of the said pools; and all such payments shall be made as and when and in such percentages or proportions as the Board of Directors may deem advisable.

Prior to actual distribution to the grower members, the Board of Directors of the Association will be authorized to use any of the funds in the possession of the Association or any property or assets or rights of the Association for any of the purposes or activities of the Association within the general provisions of Article II of the Articles of Incorporation.

PROVISIONS FOR LIQUIDATED DAMAGES

*q*. Each member agrees to market the cotton grown or owned by him, in accordance with the provisions of the Standard Marketing Agreement; and each member admits that it would be extremely difficult and impracticable to fix the amount of damages which the Association or its members would suffer if he should neglect, refuse or fail to keep and perform the terms, conditions and agreements herein and in his Marketing Agreements contained, as to such marketing; and therefore it is expressly understood and agreed by and between each of the members of the Association, including any persons, hereafter becoming members and acknowledging notice and acceptance of these By-Laws, that if he shall refuse, neglect or fail to market his cotton through the facilities and in the manner provided by the Association and in accordance with the terms of the agreements, such members shall pay to the Association, the sums set forth in the said Marketing Agreement.

ARTICLE XIV. PROXIES

Any member shall be permitted to vote at any primary or other meeting in person; or he may vote by mail on a ballot to be prepared by order of the Board of Directors.

But no proxies shall be voted in this Association.

ARTICLE XV. GENERAL MANAGER

The Board of Directors may, in its discretion, appoint a General Manager, who shall hold office at the pleasure of and on terms and conditions set by the Board of Directors. Any director, officer, or other person may be elected to serve as Manager. The General Manager shall perform such duties as may be directed by the Board of Directors.

ARTICLE XVI. BORROWING MONEY

The Association shall have the power, by affirmative vote of at least seven Directors, to borrow money for any corporate purposes, on open account or upon any assets of the Association or upon the security of property of members in its possession, or upon any accounts thereof, or any property not yet distributed to the members, in such amounts and upon such terms and conditions as may from time to time seem to the Board of Directors advisable or necessary or as the Board may direct its Executive Committee to determine.

ARTICLE XVII

Any officer or stockholder or manager or member of any corporation or firm which has signed the Marketing Agreement of the Association and has become a member thereof, shall be eligible as a Director of the Association; and for this purpose a Membership Certificate may be issued in the name of any such individual to be charged against or credited to the account of the corporation or firm of which he is an officer, stockholder, manager, or member, upon the written request of such corporation or firm.

When any such individual ceases to be a Director of the Association such Membership Certificate or all of the rights and interests represented thereby, shall be transferred again to the said corporation or firm represented by such person.

ARTICLE XVIII

The Seal of the Association shall contain these words and figures:

TENNESSEE COTTON GROWERS' ASSOCIATION
INCORPORATED 1923

in circular form.

ARTICLE XIX

These By-Laws may be altered or amended at any annual or other meeting of the members called for that purpose by the Directors, by

a vote representing a majority of the votes cast. The written assent of a majority of the members shall be effectual to repeal or amend any By-Laws or to adopt additional By-Laws without any meeting.

CERTIFICATE OF DIRECTORS AND SECRETARY AS TO ADOPTION OF BY-LAWS OF TENNESSEE COTTON GROWERS' ASSOCIATION

We, the undersigned, constituting all of the members of the Board of Directors and the Secretary of Tennessee Cotton Growers' Association, a corporation, without capital stock and not organized for profit, do hereby

CERTIFY; That the above and foregoing By-Laws were duly adopted as the By-Laws of said Association on the fourth day of June, 1923, by the written assent of all of the members of said Association, namely: eleven members out of a total eleven Directors; and that such By-Laws do now constitute the official By-Laws of said Association.

IN WITNESS WHEREOF, we have hereunto subscribed our names and affixed our Seal of said Association this fourth day of June, 1923.

Directors of Tennessee Cotton Growers' Association

CERTIFICATE AND WRITTEN CONSENT OF MEMBERS TO THE ADOPTION OF BY-LAWS OF TENNESSEE COTTON GROWERS' ASSOCIATION

We, the undersigned, each of whom is a member of the Tennessee Cotton Growers' Association, together being and constituting all of the members thereof, do hereby assent to the foregoing By-Laws and do adopt the same as the By-Laws of said Association; and declare that we have and that each of us has read the said By-Laws, and do now agree to be bound by each of the contracts and agreements therein contained.

IN WITNESS WHEREOF, we have hereunto subscribed our names this 4th day of June, 1923.

Being all of the members of the Tennessee Cotton Growers' Association.

# CHAPTER X

## MARKETING CONTRACTS IN COÖPERATIVE ASSOCIATIONS

The marketing agreement or membership contract is of great importance at present in the group marketing of farm products. It must remain of great importance; at least until the time arrives when each individual farmer comprehends intelligently and performs efficiently his duties to the group in coöperative marketing. The marketing agreement is a legal instrument intended to set out clearly the duties and responsibilities that the individual member assumes toward the group and the duties and responsibilities that the group assumes toward the individual member. All the members of the group suffer loss when the volume of the product for which they have provided marketing facilities is not delivered by the members. The marketing agreement serves as a protection against this loss. It also gives to the marketing group and to the individual member the same legal status in their business engagements as are common in all other lines of business, and it protects the marketing group and the individual member in some measure against those antagonistic interests that tempt individual members to desert the group and to default their business agreements.

The general manager of the California Fruit Growers' Exchange, G. Harold Powell,[1] says:

Without such contract or agreement, especially in a new association, no organization can achieve the degree of permanency and integrity that is essential to a business undertaking of this kind.

[1] *Circular No. 222*, Agricultural Experiment Station, University of California.

Buildings and their equipment may be needed; it may be necessary to erect warehouses, to purchase supplies, to develop a sales agency and to project a campaign of advertising over a number of years. Timber lands for box material — with lumber mills and box factories — have even been acquired by the most successful of these

POULTRY FEEDING AND DRESSING STATION OF A FARMERS' COÖPERATIVE AT LA CROSSE, WISCONSIN

The building shown here is one of the stations of the Minnesota Coöperative Egg and Poultry Exchange

organizations. It is obvious that such undertakings can only be accomplished when there is a definite membership responsibility covering a reasonable period of time.

No form of contract will hold the membership together indefinitely unless the benefits of the organization justify its continuance, but the human side of some men has not yet evolved to that ideal state in which a temporary advantage offered them may not blind them to the permanent values of their own association. Therefore

voluntary membership is not practicable. Always, too, there are opportunists who take no interest in the real problems of agriculture and do not see their position as part of a great working whole — that is, they have little consciousness of the larger factors influencing the disposition of crops, and, in their disposal, are rampant speculators buying and selling to individual merchants and speculators. The opponents of coöperative system, understanding this psychology, tempt the speculative farmer with offers of high prices as a means of strengthening themselves in the community and, unless this type of producer has formally bound himself to his association by a contract to handle all of his produce through it for a given time, the buyers may draw heavily from the membership and thereby weaken its financial and business stability. A large proportion of the failures in coöperative marketing have been due to the irresponsibility of the membership when an association has been subjected to competitive fire.

Typical examples of marketing agreements are given here in full. These include the contracts used by the Central Beet Growers' Association of Utah, by the Texas Farm Bureau Cotton Association, and by the Sun-Maid Raisin Growers of California.

A careful study of the principles involved in these contracts will yield many valuable lessons in the civics and citizenship of the new coöperative mode of agricultural life. It will reveal the fact that today civics and citizenship have to do with organized economic affairs as well as with organized political affairs, and that the economic responsibilities of the common man toward his fellows have become as important as his political responsibilities toward them.

The young reader will understand the situation more clearly if he will constantly bear in mind that the party of the first part is in each case all the growers acting as a group. This group acts as the nominal purchaser of the product of each individual grower who is a member. The group resells the product at the greatest possible advantage to the individual grower

and returns the proceeds to him without profit to itself. The party of the second part is the individual grower acting as an individual producer of the commodity.

### BEET GROWERS' CONTRACT WITH CENTRAL SUGAR BEET GROWERS' ASSOCIATION

This agreement made and executed this _____ day of_____ 1924, by and between the Central Sugar Beet Growers' Association, a corporation of the State of Utah, with principal place of business at Provo, Utah, hereinafter referred to as the Association, and _____, a member of said association, of _____, Utah County, Utah, hereinafter referred to as the Grower;

WITNESSETH:

WHEREAS, the Grower is one of a group of persons in the locality of Utah County, Utah, who are or intend to be engaged in the production of sugar beets; and

WHEREAS, he is unable acting by himself to carry on said enterprise as efficiently and economically as if acting in coöperation with other producers; therefore, said producers have caused to be organized the Association above named, by and through the agency of which it is intended to carry on said enterprise on a coöperative basis.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties agree as follows:

I

The Grower hereby appoints the Association as his sole agent for the purpose of marketing, or contracting for the sale of all sugar beets to be grown by him or for him on lands owned or otherwise held by him within the locality of Utah County, State of Utah, during the life of this contract.

II

The Grower agrees to pay to the Association his pro rata share of all expenses incurred by it in carrying out the purposes of this agreement; and in case payments shall be made directly by the purchaser to the Grower, then the Association is hereby authorized to receive from the first payment made on said beets by the purchaser, the

Grower's pro rata share of all such expense, and this will authorize the purchaser to make such payment directly to the Association; provided, however, that said expense shall not exceed the sum of three cents per ton on his said beets for any one year; and in case said sum shall be more than sufficient to pay the expenses of the Association, then the same may be retained as a reserve fund to be used by the association in the interest of the Growers, or be prorated back to the members of the association as the Board of Directors of the Association see fit.

III

The Association shall endeavor to market said sugar beets for the Grower whenever and wherever a market may be found which in its judgment may be satisfactory to the Growers, and shall, if deemed advisable, invite into the districts of the Association other capital, and shall make such other effort as shall be deemed wise for the purpose of enabling the Grower to obtain a fair and profitable price for his beets, it being understood that the express aim of the Association shall be to obtain not less than a 50-50 contract for all beets contracted by it for the season 1924; but the Association shall not be liable for any damages that the Grower may sustain by reason of a failure to sell said sugar beets, if in the judgment of the officers of the Association the price offered therefor is not satisfactory.

IV

It is further understood and agreed that the Grower shall have control over his acreage and production, and the Association is not required to assume any responsibility with respect thereto, but the Grower specifically agrees to plant and care for not less than the acreage hereinafter provided for; and it is agreed that all sugar beets which the Grower shall harvest, in whatever amount, shall be subject to this contract.

V

To enable the Association to estimate the amount of acreage which will be planted to beets handled by the Association, the Grower hereby declares his intention to grow ____ acres during the season of 1924, provided a marketing contract shall have been procured by the Association prior to the planting season; and the Grower further agrees that he will notify the Association in writing

on or before January 1st of each and every year during the life of this contract as to the acreage which he proposes to plant to sugar beets for the ensuing year.

VI

It is specifically understood and agreed that this contract is one of many similar contracts between the Association and the Growers, who are mutually and individually obligated under the terms hereof; that the Association shall be deemed to be acting in its own name for and on behalf of all such Growers in carrying out the provisions of such contracts, or in any action or legal proceeding resulting therefrom, and that the Association has a special and valuable interest in the faithful performance of this agreement by the Grower, and that the Association and the Growers would be materially damaged by breach of this contract by any Grower; and the amount of such damage being unknown and difficult to ascertain, it is specifically agreed that the Grower will pay the Association $1.00 a ton as liquidated damage on all beets sold or otherwise disposed of by or for him other than in accordance with the terms of this contract, which sum has been duly considered and is agreed upon as a reasonable damage; and the Grower agrees to pay all costs, expenses and fees incurred by the Association in any action or proceeding for breach of this contract.

VII

It is further understood and agreed that this agreement shall be binding upon the Grower, his representatives, successors, or assigns during the term of this contract, or so long as he raises sugar beets directly or indirectly, or exercises ownership or control over any sugar beets or any interest therein, or of the land upon which said sugar beets are grown during the term of this contract.

VIII

This contract shall become operative at the date of signature and shall remain in force continuously for a period of five years unless cancelled in writing by either party between the 1st and 10th days of November, inclusive, of any year; provided that the right of cancellation by the Grower may be exercised only in the event that all his obligations to the Association shall have been paid in full at

the time of service of such notice; and it is understood that such obligations shall include a fair pro rata of any unpaid indebtedness assumed by the Association while the Grower is a member thereof.

IX

It is understood that a breach of this contract by any one or more of the Association shall in no way impair the obligations hereof with respect to any other member or members.

X

It is understood that this agreement is made in contemplation of a general plan, the purpose of which shall be to secure coöperation of Growers of sugar beets throughout the State of Utah, and that the Growers of sugar beets may be organized as units in the several localities of such territory, and that any two or more of such units may coöperate in pursuance of said plan, and that central agencies may be organized for the purpose of effecting coöperation amongst all of the various units; and this contract is executed with such general plan in view and it is, therefore, agreed that if and when such central agencies shall be created, such agencies are hereby authorized to handle the products of the Grower as herein provided, and it is hereby agreed that such central agency or agencies shall have full authority in the premises, and the Association is hereby fully authorized to deal with and through such central agencies in the carrying out of the terms of this contract.

In witness whereof, the Association has caused this contract to be signed by its president and attested by its secretary, and the Grower has hereunto affixed his signature the day and year first above written.

Central Sugar Beet Growers' Association

----------, By ----------,
*Secretary* *President*

----------,
*Grower*

----------,
*Address*

## TEXAS FARM BUREAU COTTON ASSOCIATION MARKETING AGREEMENT

The Texas Farm Bureau Cotton Association, a non-profit association, with its principal office at Dallas, Texas, hereinafter called the Association, first party, and the undersigned Grower, second party, agree:

1. The Grower is a member of the Association and is helping to carry out the express aims of the Association for coöperative and orderly marketing, for minimizing speculation and waste, for reducing the dumping of cotton, and for stabilizing cotton markets in the interests of the grower and the public, through this and similar undertakings by other growers.

2. The Association agrees to buy and the Grower agrees to sell and deliver to the Association all of the cotton produced or acquired by or for him in Texas during the years 1926, 1927, 1928, 1929 and 1930.

3. The Grower expressly warrants that he has not heretofore contracted to sell, market or deliver any of his said cotton to any person, firm or corporation, and that no one else has any interest therein, except as noted at the end of this agreement. Any cotton, covered by existing contracts or liens, shall be excluded from the terms hereof only for the period and to the extent there noted.

4. *a.* All cotton shall be delivered at the earliest reasonable time after ginning, to the order of the Association, at the warehouse controlled by the Association; or at the nearest public warehouse, if the Association controls no warehouse in that immediate district, or by shipment as directed, to the Association and by delivery of the endorsed warehouse receipts or bills of lading properly directed. If not so delivered, all deliveries must be made F.O.B. Dallas, Texas.

*b.* Any deduction or allowance or loss that the Association may make or suffer on account of inferior grade, quality or condition at delivery, shall be charged against the Grower individually.

*c.* The Association shall make rules and regulations and shall provide inspectors or graders or classifiers to standardize, grade and class the quality and method and manner of handling, pressing and shipping such cotton; and the Grower agrees to observe and perform any such rules and regulations and to accept the grading

established by the Association, which shall be in accordance with the Official Cotton Standards of the United States.

5. *a.* The Association shall pool or mingle the cotton of the Grower with cotton of a like variety, grade and staple delivered by other growers. The Association shall classify the cotton and its classification shall be conclusive. Each pool shall be for a full season.

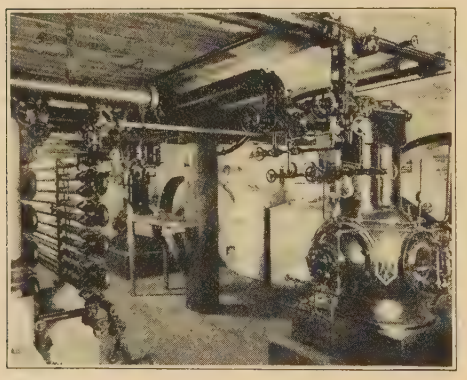
*b.* The Association will endeavor to sell the cotton gradually, as the spinning industry requires it, or at the best possible price before another crop is produced; but in case prices are not satisfactory or production is greater than consumption, or there are abnormal trade or financial conditions, the Association will, in its conclusive discretion, hold such part of the cotton as may not be sold at a satisfactory price, until there is a fair demand for it.

6. The Association agrees to resell such cotton, together with cotton of like variety, grade and staple, delivered by other growers under similar contracts, at the best prices obtainable by it under market conditions; and to pay over the net amount received therefrom (less freight, insurance and interest), as payment in full to the Grower and Growers named in contracts similar hereto, according to the cotton delivered by each of them, after deducting therefrom, within the conclusive discretion of the Association, the costs of maintaining the Association, an annual subscription of 50 c. for the house organ of the Association, organization fee (for new members only), costs of handling, grading and marketing such cotton; and reserves for credits and other general purposes (said reserves not to exceed one per cent of the gross resale price). Such reserves shall be used by the Association for any proper purpose, in its conclusive discretion; and shall be distributed, in whole or in part, only as and how and when the Directors of the Association may deem advisable; but the interest of the Growers in such reserve shall be in accordance with their contributions thereto.

7. The Grower agrees that the Association may handle, in its discretion some of the cotton in one way and some in another; but the net proceeds of all cotton, less charge, costs and advances, shall be divided ratably among the Growers in proportion to their deliveries to each pool, payments to be made from time to time until all the accounts of each pool are settled, according to differentials as to

grade and staple, to be established conclusively by the Association on the basis of the actual differentials in prices received throughout by the Association from the sales of each year's crops.

8. The Association may sell the said cotton, within or without this state, prior to or after delivery, directly to spinners or exporters or otherwise, at such time and upon such conditions and terms as it may deem profitable, fair and advantageous to the Growers; and it may sell all or any part of the cotton to or through any agency, now established or to be hereafter established, for the coöperative marketing of the cotton of growers in other states throughout the United States, under such conditions as will serve the joint interest of the growers and the public; and any proportionate expense connected therewith shall be deemed marketing costs under Paragraph 6.



COMPRESSING ROOM OF A COLD-STORAGE PLANT OF A FARMERS' COÖPERATIVE ASSOCIATION IN WASHINGTON WHICH MARKETS APPLES

9. The Grower agrees that the Association shall borrow money in its name on the cotton, through drafts, acceptances, notes or otherwise, or on any warehouse receipt or bills of lading or upon any accounts for the sale of cotton or on any commercial paper delivered therefor. The Association shall prorate the money so received among the growers equitably, as it may determine, for each district and period of delivery.

10. The Association may establish selling offices, warehouses, plants, marketing, statistical or other agencies in any place.

11. The Grower shall have the right to stop growing cotton and grow anything else at any time at his free discretion; but if he produces any cotton during the term hereof, as landlord or lessor or as a tenant or lessor; or if cotton is produced on any land

owned or controlled by him, his interest shall be included under the terms of this agreement and must be sold and delivered only to the Association.

12. Nothing in this agreement shall be interpreted as compelling the Grower to deliver any specified quantity of cotton per year; but he shall deliver all the cotton produced or acquired by or for him or produced on land owned or controlled by him or legally subject to his control, to the full extent of his interest.

13. *a.* This agreement shall be binding upon the Grower as long as he produces cotton directly or indirectly, or has the legal right to exercise control of any commercial cotton or any interest therein during the term of this contract; and such interest will be conclusively presumed where cotton is produced on his land; and such presumption shall hold against any form of rental; or against any form of transfer or conveyance to a relative.

*b.* If this agreement is signed by the members of a co-partnership, it shall apply to them and each of them individually during their co-partnership and in the event of the dissolution or termination of the said co-partnership; and it shall apply to the estate of any Grower, in the event of his death during the term hereof.

*c.* The Grower shall notify the Association prior to making any crop mortgage; and the Association will advise the Grower in any such transactions.

If the Grower places a crop mortgage upon any of his crops during the term hereof, the Association shall have the right to take delivery of his cotton and to pay off all or part of the crop mortgage for the account of the Grower and to charge the same against him individually. The Grower agrees on demand of his mortgagee to execute an assignment of his interest in the cotton here sold to the Association for the protection of the creditor to the extent of the creditor's just claim; and the Association in turn agrees, upon notice and receipt of such assignment, to respect the same and to pay accordingly the proceeds otherwise due the grower.

14. From time to time the Grower agrees to mail to the Association any statistical data requested, on the forms provided for that purpose by the Association.

15. This agreement is one of a series generally similar in terms, comprising with all such agreements, signed by individual growers,

or otherwise, one single contract between the Association and the said growers, mutually and individually obligated under all of the terms thereof. The Association shall be deemed to be acting in its own name, for all such growers, in any action or legal proceedings on or arising out of this contract.

16. The Grower hereby expressly authorizes the Association to deliver to any warehouse corporation organized for coöperation with this association, any or all of his cotton for handling, processing or storing; and to charge against his cotton the prorated costs of such services to his cotton and his prorated shares of the funds necessary to create a reserve, equivalent to one class of its preferred stock annually plus bonus, to retire the said class; and to pay the interest on advances and the dividends on all outstanding preferred stock; and for such deductions the Grower shall receive a proportionate interest in such warehouses.

17. If the Grower has on hand any cotton free of lien and capable of delivery, he shall deliver such cotton to the Association as it may direct, to be marketed generally in the manner hereinabove set forth.

18. *a.* Inasmuch as the remedy at law would be inadequate; and inasmuch as it now and ever will be impracticable and extremely difficult to determine the actual damage resulting to the Association, should the Grower fail so to sell and deliver all of his cotton, the Grower hereby agrees to pay to the Association for all cotton delivered, sold, consigned, withheld or marketed by or for him, other than in accordance with the terms hereof, the sum of five cents per pound as liquidated damages for the breach of this contract; all parties agreeing that this contract is one of a series dependent for its true value upon the adherence of each and all the growers to each and all of the said contracts.

*b.* The Grower agrees that in the event of a breach or threatened breach by him of any provision regarding delivery of cotton, the Association shall be entitled to an injunction to prevent breach or further breach hereof and to a decree for specific performance hereof; and the parties agree that this is a contract for the purchase and sale of personal property under special circumstances and conditions and that the buyer cannot go to the open markets and buy cotton to replace any which the Grower may fail to deliver.

*c.* If the Association brings any action whatsoever, by reason of a breach or threatened breach hereof, the Grower agrees to pay to the Association all costs of court, costs for bonds and otherwise, expenses of travel and all expenses arising out of or caused by the litigation and any reasonable attorney's fees expended or incurred by it in such proceedings; and all such costs and expenses shall be included in the judgment and shall be entitled to the benefits of any lien securing any payment thereunder.

*d.* If for any reason the Grower member hereof fails or refuses to sell and deliver any or all of the cotton covered by this Marketing Agreement as above directed, then such cotton shall be delivered to the Association, F.O.B. Dallas, Texas; and in any event all payments and obligations, arising out of this Marketing Agreement, shall be due and payable at Dallas, Texas; and any liquidated damages, attorney's fees, expenses and costs, in the event of a suit, shall be due and payable at Dallas, Texas.

19. The parties agree that there are no oral or other conditions, promises, covenants, representations or inducements in addition to or at variance with any of the terms hereof; and that this agreement represents the voluntary and clear understanding of both parties fully and completely.

Read, considered and signed at _____,
County of _____, State of Texas,
this _____ day of _____, 19 ____

*Grower* _____
(*Do not sign without reading*)

*P. O. Address* _____

Accepted by the Association in accordance with a resolution adopted by the Board of Directors of the Association on April 3, 1925, at Dallas, Texas.

TEXAS FARM BUREAU COTTON ASSOCIATION

By _____,
*Secretary*

Production in 19 ____ was _____ bales.

I have placed a mortgage or other lien on my 19 ____ crop in favor of _____
_____

*P. O.* _____

APPLICATION FOR MEMBERSHIP

The undersigned Texas Cotton Grower hereby applies for membership in the Texas Farm Bureau Cotton Association.

The undersigned states that he has read the Articles of Incorporation, By-Laws, original Association Agreement and Standard Marketing Agreement of the Association and that he understands and approves them and accepts them as binding upon him in all their terms.

The undersigned agrees to perform all of the obligations of the By-Laws and Marketing Agreement.

Dated at _____, Texas, _____, 19 ____

*Grower* _____

*Address* _____

Accepted at Dallas, Texas, _____

_____, 19 ____

TEXAS FARM BUREAU COTTON ASSOCIATION

By _____,

*Secretary*

MEMBERSHIP OR ENTRANCE FEE

Every person shall pay to the Association upon entering the Association a membership fee, due and payable upon entrance, of only Ten ($10.00) Dollars; such fee shall be paid by deduction from the proceeds of the sale of his cotton.

CROP CONTRACT

THIS AGREEMENT, made this _____ day of _____ 1923, between Sun-Maid Raisin Growers, California, a corporation, hereinafter called the Buyer, and _____ hereinafter called the Seller,

WITNESSETH:

That the Buyer does hereby purchase and the Seller does hereby sell all of the raisin grapes to be produced during the years 1923 to

1937, inclusive, on the following described land in _____ County, California, to wit:

_____

_____

_____

_____

at and for the prices net to the Seller determined as hereinafter set forth.

All of said raisin grapes shall be by the Seller thoroughly and properly dried and cured, of good color, in original condition, and free from damage of any kind, and shall be delivered upon demand by the Buyer at any time after they are cured, but not later than December 1st, in each year at the nearest receiving station of the Buyer. If any of the Muscat or Thompson Seedless raisins or dried currants are of better than of standard quality, as determined by the Buyer at the time of delivery thereof, the Seller shall be entitled to receive at the time of delivery a bonus of one-half cent per pound for such extra quality Muscat and Thompson Seedless raisins and dried currants; and if any of said raisins or currants are of less than standard quality, proper deduction from the price agreed to be advanced for standard quality shall be determined at the time of delivery and shall be taken out of the first advance made by the Buyer on said delivery; any dispute as to the deduction to be made, or the bonus to be paid, to be settled by arbitration, each party to appoint one arbitrator who shall jointly select a third and the decision of the majority of said arbitrators shall be binding upon the parties; all expenses of the arbitration to be borne by the party against whom the decision shall be rendered.

Six days after the receipt of said raisins by the Buyer at the place mentioned above, the Buyer of these to make to said Seller as large advance per pound therefor as in its judgment financial and market conditions will justify.

This instrument is intended by the parties to pass to and vest in the Buyer a present title and right of possession to all of the crops of raisin grapes covered hereby. The Buyer shall at all times have the right to enter upon said premises and remove the said crops therefrom; but the right of the Buyer so to enter and remove said

crops shall not affect the obligation of the Seller to pick, cure, and deliver the same as above provided.

The Buyer agrees properly to manufacture and pack said raisins and thereafter sell them as rapidly as possible and pay the proceeds over to the Sellers named in this and similar contracts, according to the quantities and varieties of raisins (or, if Bleached Thompsons or Bleached Sultanas, then according to the quantities and grades thereof) received from the respective Sellers, first deducting any advance or advances previously made to them and each Seller's pro rata share of all losses and expenses of the Buyer incurred in its operations hereunder, including any loss incurred in handling and reselling the crop of 1922, and seven per cent on the capital stock of the Buyer outstanding on December 31st in each year; and provided, further, that at the option of the Buyer such payment of such excess may be made in capital stock of the Buyer or in 7 per cent preferred capital stock of the Sun-Maid Raisin Growers' Association of Delaware, at par, fully paid up, at the rate of not over $4.00 per ton of raisins received from the Seller by the Buyer, and the balance in cash.

The raisins received hereunder shall be mingled or cooled and sold with other raisins of like variety (if Bleached Thompsons or Bleached Sultanas, then with like grades thereof) purchased by the Buyer under contracts similar to this contract and the amount to be paid to the Seller shall be based upon the average price per pound at which all raisins of like variety (or grade, if Bleached Thompsons or Bleached Sultanas) shall be sold by the Buyer during the calendar year in which that portion of each crop settled for is sold. Payment shall be made from time to time as rapidly as possible, in due proportion, until the accounts of each pool are completely settled. On December 31st of each year a complete settlement to such date shall be made for all collected re-sales proceeds of the crop of the preceding year.

The Buyer agrees that during the term of its contract it will not buy or deal in any raisins, except with raisins produced by those who have made application for membership by the execution of this and similar contracts.

The parties hereto fully understanding and admitting that it will be impracticable or extremely difficult to fix the actual damages to

the Buyer, which will result from the breach of this contract by the Seller, hereby expressly agree and stipulate that in the event of the Seller's neglect, failure or refusal to deliver to the Buyer the raisins purchased hereunder, the Seller will pay to the Buyer the sum of three cents per pound for all raisins covered hereby, and so undelivered as liquidated damages for such a breach; any judgment recovered against the Seller in any suit to enforce this contract or any right thereunder to include all costs of court, and all expenses

PRAIRIE ROSES IN THE CREAM TRUCK

The office girls of a farmers' coöperative butter factory in Nebraska — The Orleans Equity Creamery

arising out of or caused by the litigation and a reasonable attorney's fee to be fixed by the court rendering such judgment, and shall be entitled to the benefit of any lien securing any payment hereunder.

The parties hereto agree that in the event of a breach or a threatened breach by either of them of any provision, or covenant hereof, the other party shall be entitled to an injunction to prevent such breach or further breach hereof and to a decree for specific performance hereof; and the parties agree that this is a contract for the purchase and sale of personal property under special circumstances and conditions; that the Buyer has invested large sums of money in the construction of plants and equipment to carry on its business of

manufacturing and packing the products herein mentioned, and is expending and will be compelled to spend further large sums of money in the operations necessary for the carrying on of this business, and will yearly enter into contracts for the sale of said products; that the Buyer being by the terms of this contract and similar contracts with other growers restricted exclusively to the manufacturing, packing and marketing of the products covered by such contracts, cannot go to the open market and buy raisins to replace any which the Seller may fail to deliver; and that the failure of the Sellers named in this and similar contracts of which there are several thousand, to deliver such products to the Buyer as therein required will result in irreparable loss to the Buyer.

In consideration of the agreements on the part of the Buyer herein contained, the Seller agrees that this contract is made for the benefit of, and is beneficial to, the land herein described, and that the obligation of the Seller to deliver all of said raisins, or to pay damages for failure so to deliver, shall be and remain a lien upon said land for the full term of this contract, and such lien may be enforced in the same manner as other liens upon real property regardless of the ownership of the land.

This contract shall bind the heirs, successors or assigns of the respective parties hereto; provided, however, that the same may not be assigned by the party of the first part except to a non-profit coöperative association or corporation organized and existing under the laws of the State of California, or any corporation or organization of a coöperative nature which may be authorized by law.

The notices herein provided to be given shall be deemed to have been given to the Buyer when mailed to its office in Fresno, California, and to the Seller when mailed to his address as noted hereon.

All deliveries of said raisins are to be made in the name of the Seller unless notice in writing to the contrary is given to the Buyer by the Seller, and all payments or advances hereunder are to be made to the person in whose name such deliveries are made, or upon orders signed by him and duly accepted by the Buyer; provided, however, that if at the time of such delivery there stands of record a crop mortgage covering the crops so delivered, such payments or advances shall be made as directed by request in writing signed by both mortgagor and mortgagee.

The Seller is hereby given the right to file with the Buyer, between December 20 and December 31 of either of the years 1924, 1926, 1928, 1930, 1932, 1934, and 1936, a written notice of his desire to withdraw from this contract as to any or all of the varieties of raisins covered hereby, and thereupon said contract shall be cancelled as to the designated variety or varieties of the crops of the succeeding years of the contract period. The Buyer is also hereby given the right to give written notice to the Seller between February 20 and March 1 of either of the years 1925, 1927, 1929, 1931, 1933, and 1935 of its desire to withdraw from this contract as to any or all of the varieties of raisins covered thereby, and thereupon said contract shall be cancelled as to the designated variety or varieties of the crops of that and the succeeding period.

The terms "Raisins" and "Raisin grapes" shall include the following varieties only: "Thompsons," "Muscats," "Sultanas," "Currants."

Any crop contract heretofore entered into by the parties hereto and covering the above described crop, or any portion thereof, is hereby cancelled as to all crops hereafter to be produced.

The parties agree that any modifications of or change in this contract hereafter required to be made by the Federal Court shall be deemed to be and are hereby incorporated herein.

The execution of this contract by Seller is also an application by Seller for membership in Buyer whenever Buyer may be authorized to receive the same.

(*Buyer*) SUN-MAID RAISIN GROWERS OF CALIFORNIA

By _____

(*Seller*) _____

*Address* _____

_____

Witness to Seller's Signature:

_____

*Address* _____

_____

*Address* _____

I, the undersigned, owner of the fee of the land above described, hereby agree that in the event the tenancy or right of possession of

the above named Seller in or to such lands is terminated with resulting reversion thereby to me, I shall be bound by the terms of this contract during the remainder of the term thereof, and that any transfer I may make of said land shall be made subject to my said agreement.

_____

*Address*_____

MEMORANDUM OF MARKETING AGREEMENT

THIS CERTIFIES that the undersigned has duly executed a written agreement with the Sun-Maid Raisin Growers in the standard form, as set forth in the records of the Recorder's office of _____ County, Vol. _____ inclusive, and that he is obliged to deliver to it all of the raisin grapes of all varieties produced in the years 1923 to 1937 inclusive, on the property located in_____ _____County, California, to wit:

_____

_____

_____

Dated at _____, California, this_____ day of _____ 1923.

(*Seller*) _____

_____

_____

Witness:

_____

WITNESS ACKNOWLEDGMENT

STATE OF CALIFORNIA,
COUNTY OF _____ } ss.

On this _____ day of _____ in the year one thousand nine hundred and _____, before me _____, a Notary Public in and for said County of _____, personally appeared _____, known to me to be the same person whose name is subscribed to the within instrument as a witness thereto, who being by me duly sworn, deposed and said: That he was present and saw _____,

personally known to him to be the person described in and who executed the said instrument as a party thereto, sign, seal and deliver the same, and that the said _____ duly acknowledged in the presence of said affiant that he executed the same, and that he, the said affiant, thereupon and at _____ request, subscribed his name as witness.

IN WITNESS WHEREOF, I have set my hand and official seal this _____ day of _____, 1923.

(SEAL)

_____

*Notary Public in and for said County and State*

# CHAPTER XI

## THE CHANGE IN JUDICIAL DECISIONS

The group marketing of farm products is now sanctioned by law in most of the states. These laws have been fully tested in the courts of last resort. Recent judicial decisions have affirmed their validity at every important point.

The trend of judicial decisions during the last ten years has been decidedly favorable to the group marketing of farm products. Previous to this time it was adverse. This change in the attitude of the courts is the result of experience with coöperative marketing during the last few years. So long as the courts based their decisions on the theory of monopoly, these decisions were unfavorable to coöperative marketing; now that they have considered the results of coöperative marketing in actual operation, their decisions have been favorable. The change in attitude is most significant.

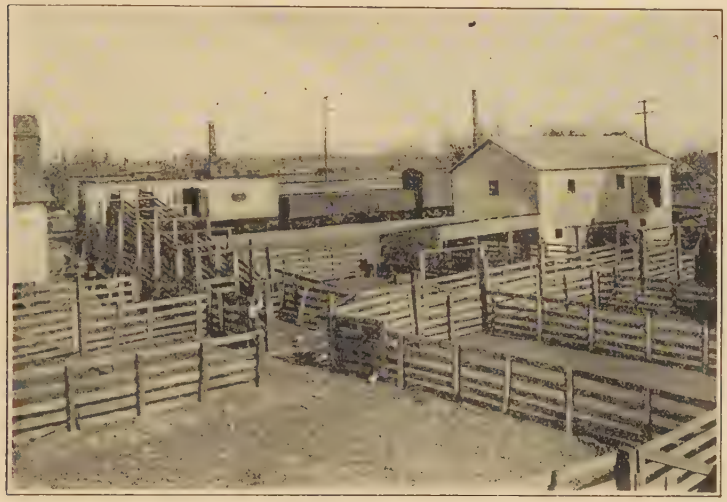
The public has always been quick to oppose anything which savored of monopoly in the sale of such goods as are common necessities. This has been especially true in the case of food.

For more than three hundred years English and American courts consistently followed the line of reasoning laid down in 1602 in the celebrated Case of Monopolies,[1] where the court said:

There are three inseparable incidents to every monopoly against the commonwealth: First, that the price of the same commodity

[1] *Darcy* v. *Allen*, 11 Coke, 84. For a more complete review of the cases cited in this chapter the reader is referred to that excellent brochure entitled "The Trend of Judicial Decision in Coöperative Marketing," prepared by Frank Evans, marketing counsel, and published by the American Farm Bureau Federation.

will be raised, for who has the sole selling of any commodity may and will make the price as he pleases. The second is that after the monopoly is granted, the commodity is not so good and merchantable as it was before; for the patentee having the sole trade regards only his private benefit and not the commonwealth. Third, it tends to the impoverishment of divers artificers and others, who before,



CONCENTRATION YARDS OF FARMERS' COÖPERATIVE LIVE-STOCK SHIPPING ASSOCIATION AT KENTON, OHIO

by the labor of their hands in their art or trade had maintained themselves and their families who now will of necessity be constrained to live in idleness and beggary.

Similar views are found embedded in the constitutions of several American states. In the Minnesota constitution we find that any combination designed to monopolize the markets for food products or to interfere with or restrict the freedom of such markets is a criminal conspiracy. In Utah the constitution, adopted thirty years ago, declares that any combination having for its object or effect the controlling of the price of any products of the soil is against public policy. The constitutions

or statutes of several other states contain similar provisions. From earliest times man has feared monopoly of food.

**Line of reasoning followed by the courts.** For three centuries judicial decisions have generally followed the line of reasoning indicated in the ancient Case of Monopolies and in the state constitution and statutes mentioned above. As late as 1895 an Illinois court held that a coöperative milk association which, according to its by-laws, purposed "to secure to the producer a just return for his product and to the consumer a pure and wholesome quality" was an illegal combination in restraint of trade.

A Federal judge, *in re Grice*, 1897, in construing a statute which exempted "agricultural products or live stock in the hands of the producer" from the provision which prohibited all combinations in restraint of competition, said:

> We are familiar with the duties of the farmer and the cares and trials of his business life. . . . Without the products of his toil people cannot live nor society endure. Yet what is there about all that to entitle him to the privilege of combining in restraint of trade as to those articles he produces while his neighbors the storekeeper and the mechanic are precluded therefrom. . . . [This] is vicious class legislation . . . and is therefore declared null and void.

In the Connolly case (1902) the Supreme Court of the United States said:

> If combinations of capital, skill or acts . . . are hurtful to the public interests and should be suppressed, it is impossible to perceive why like combinations in respect of agricultural products and live stock are not also hurtful.

In 1911 three hundred and fifty farmers at Decorah, Iowa, finding their business of raising hogs was unprofitable, entered into a coöperative selling agreement through which in two years they marketed twenty-five thousand hogs and distributed $430,000 among their members, who thus enjoyed a fair degree of prosperity. The Iowa supreme court in 1913 upheld a per-

manent injunction against further coöperative selling by them, saying that the plaintiff, a local hog buyer, was placed at a disadvantage and could not compete with the society in purchasing hogs from its members. The court declared this to be "undue restraint of competition," and the coöperative association was disbanded.

For three hundred years constitutions, statutes, and court decisions followed a line of reasoning which when applied to agricultural products prohibited their producers from combining to give the consumer more direct and satisfactory service and to secure for themselves more adequate returns through group marketing. Then there came a change.

**A change in the trend of judicial decisions.** This change in the line of reasoning followed by the courts first appeared in a well-considered decision by the supreme court of Indiana in 1912. Since then it has developed in the new direction very rapidly. The reasons for the change seem to be economic. The courts are taking cognizance of the fact that agriculture has fallen upon evil times, that all other major industries are now engaged in group production and group marketing of their products, and that agriculture alone remains in the weak position of individual dumping. The courts are now following the reasoning of the coöperative marketing laws which have been so generally passed by legislative bodies during the past few years; namely, that group marketing of farm products is now held to be necessary (1) to secure the regular and orderly marketing of these products throughout the year with prices stabilized at a point which will be most advantageous to producer and consumer alike; (2) to promote the public welfare by enabling the farmer to exchange products with others at a price level which will enable him to avoid bankruptcy and to go on producing those commodities necessary to the common good; (3) to improve the quality of farm products, as experience has shown that the standardization and grading of farm commodities as practiced in group marketing produces a better and more

merchantable product than is secured through individual dumping of these commodities; (4) to avoid waste and duplication by making the exchange of products between producer and consumer as direct as possible. This does not deprive of a livelihood anyone who renders a useful service to society.

The present trend of judicial decision in coöperative marketing is well shown in the cases that follow.

Chief Justice Clark, speaking for the supreme court of North Carolina, in a case[1] decided in 1923, said:

> . . . The coöperative system is the most hopeful movement ever inaugurated to obtain justice for, and improve the financial condition of, the farmers and laborers. The producers are paying all the costs and assuming all the responsibility of these coöperative associations. They are taking all the risks. They are asking no assistance from the public treasury, they are forcing no one to join and they are exacting no inordinate prices for their product. They are associating themselves as authorized by the statute, like other persons, and they have signed mutual and fair agreements among themselves, which will be futile unless those who have signed such agreements can be held to abide by the terms of their contracts.

And in the same decision the court further says:

> There is no analogy between the proceedings to dissolve the great trusts . . . and these associations for the protection of the producers. . . . It is an entire misunderstanding of the fact to assert that an orderly, systematized coöperation among the producers to prevent a sacrifice of their products . . . has any analogy to the system by which great combinations of capital have prevented the laborer and the farmer alike from realizing a reasonable reward and a decent living.

In another recent case[2] the court, speaking of the purpose of the farmers' coöperative marketing association, said:

> The purpose of the combination does not appear to be other than to secure a fair and adequate price for their product. We think

[1] *Tobacco Growers' Association* v. *Jones.*
[2] *Burley Tobacco Society* v. *Gillaspy.*

such acts could not be held to be in conflict with the morals of the time or to contravene any established interest of society. Public policy does not ask those who till the soil to take less than a fair return for their labor. Public policy safeguards society from oppression; it is not an instrument of oppression.

In 1924, in a case[1] decided in Tennessee, the court said:

In our opinion, the classification of farmers into coöperative associations for the purposes set forth in the act is reasonable and natural and one that should prove beneficial rather than detrimental to the public.

In a Kentucky case[2] in 1923 the court, speaking of combination of farmers into coöperative marketing associations, said:

The basis of this change in public opinion towards combination and classification is not in any sense political but economic rather and, in our judgment, it is because of the basic economic conditions affecting vitally not only the farmers, but also the public weal, that the classification based upon agricultural pursuits is reasonable, just and imperative for the good of the entire nation and every citizen thereof.

In similar vein the court in North Carolina[3] said, in 1919:

The farmers of the state are our largest creators of wealth. The agricultural departments at Washington and Raleigh have been created in recent years in recognition of the fact that the farmers have received in return small assistance from the government to whose support they so largely contributed. The cotton crop, which in 1910 in this state was 600,000 bales in one year, since has been 1,100,000. The other farm products have increased greatly in volume and value. Yet the farmers and the state have not increased in wealth in the same ratio. . . . This Act is intended to emancipate the growers of cotton by providing a safe place to store the product at a reasonable cost, with the advantage of cheap insurance and the protection of official grading. But these would be of themselves of little value without this provision of a guaranty fund for the

[1] *Dark Tobacco Growers* v. *Dunn.*
[2] *Potter* v. *Dark Tobacco Growers' Coöperative Association.*
[3] *Bickett* v. *State Tax Commission.*

warehouse certificate, enabling the owner to hold this cotton and thus have an opportunity to fix a living price for the product of his labor and land.

One of the decisions which most clearly accepts group marketing of farm products as necessary to the salvation of agriculture and to the welfare of the state is that handed down by a Kentucky court[1] in 1923:

The fact that other productive groups can, and for many years have marketed their wares as groups, and not as individuals, and that they are and have been enabled through group organizations or "gentlemen's agreements" to regulate the distribution and stabilize the prices of their products, is a fact known of all men, which can neither be denied nor blinked by the courts; as is also the fact that farmers, if not organized, necessarily act as individuals and not as groups in marketing their products, resulting in "dumping" by the farmers, distribution by speculators, an unconscionable and uneconomic spread between producer and consumer in the necessities of life, and an inevitable demoralization of basic economic conditions, to the hurt, directly or indirectly, of every citizen.

With the clear recognition of this fact borne in upon the public conscience by the threatened economic collapse of the farming industry indispensable to public welfare and national stability, if not national existence, an enlightened public opinion unmistakably demands that farmers be permitted to organize for the marketing of their crops, not merely for their own protection, but for the public good. But what has current public opinion with reference to economic questions to do with constitutional inhibitions and guaranties? Just this: It often, as here, affords the proper and usual approach for the consideration of their terms and meaning.

That all law, even constitutional law, is not static, but progressive and in step always with sound economic conditions and an enlightened public policy, recently has come to be realized clearly, if ever it may have been thought otherwise, as is attested by highest judicial and lay utterances.

The best evidence of sure foundation of the Federal Constitution

[1] *Potter* v. *Dark Tobacco Growers' Coöperative Association.*

is not that it was declaratory of the highest conceptions of truth and justice with reference to community life when written, but that, correctly interpreted, it is equally so today, despite the many changes time and experience have brought in such conceptions. The Constitution in the Fourteenth Amendment, declared the public policy of equal protection of the laws, unalterably, both then and now, it is true, but being written for time rather than for a day, most wisely left it to the legislatures and the courts to provide the

FACTORY FORCE OF A FARMERS' COÖPERATIVE BUTTER FACTORY: MANAGER, BUTTER-MAKERS, AND CREAM-HAULERS

The Farmers' Equity Creamery, Orleans, Nebraska

means and define the terms in accordance with an enlightened public consciousness which continually strives towards, and constantly attains, if but slowly and haltingly, a better understanding of community life. Unquestionably, as that complex problem is understood by the best thought of today, the Bingham Act, by enabling the farmers to market their crops coöperatively for the purpose, as declared in the Act, of regulating distribution and stabilizing the prices of farm products, serves a pressing public need that justifies the classification of farmers as a distinct class, and treats all of the class equally and fairly, and not better, if that were important, than other distinct productive classes are treated under the laws of the state and nation.

The supreme court of Minnesota on April 9, 1925, speaking through Chief Justice Wilson in a carefully considered opinion delivered in the case of *Minnesota Wheat Growers' Coöperative Association* v. *William Huggins, Jr.*, sustained the coöperative marketing law as not being a combination in restraint of trade, upheld the marketing contract, and, in effect, approved the system of group marketing sanctioned by the present coöperative marketing laws. Among the important points made in this decision are the following:

One of the main features of this law is to minimize the expense of the middleman. It also tends to protect the farmer against alleged unscrupulous conduct of others in the market. The sole purpose of this law is, by an economical marketing of the crop owned by its members, to obtain to them a fair and reasonable price, without useless expense, and without necessarily increasing the cost to the consumer. The citizendom of the state is not complaining. In fact, this law puts the association under the supervision of the Public Examiner who is authorized to take possession of its property if he is of the opinion that its further operation is hazardous to the public interest. This gives assurance that the public will learn at all times how the business is being conducted and will know that it is not being conducted in a manner detrimental to the public welfare. Any of the officers are subject to removal by the Governor.

Subsequent to the World War the returns to the farmer were pitifully inadequate. His lands depreciated in value. The things he had to buy did not depreciate proportionately. His condition was critical. The State, and in fact, the Government responded to a sympathetic coöperation in an economic rehabilitation of the stability of the agricultural interest. The policy of our nation is apparent in exempting agricultural organization, instituted for the purpose of mutual help, and not having capital stock or conducted for profit, from the operation of the Sherman Anti-Trust Act. It is for the interest of our social, moral, and financial welfare that the producers in our state be able to succeed materially so that they may enjoy and be inspired by reasonable success and achievements and thereby be the better enabled to carry on properly the duties of citizenship. It was clearly to this end that this law was enacted.

It offers a plan as a basis for hope that the market may be stabilized and protected from fluctuation incident to an entire year's crop being dumped upon the market within a period of sixty days and thereby demoralizing the market in the consequent fluctuation in price, which, in practice, is detrimental to the producer and of little benefit to the public.

There is no justification for the suggestion that an orderly, systematized, coöperative marketing authorized by law to prevent a sacrifice of the farmers' products and to realize a reasonable profit has any analogy to financial combinations in restraint of trade which have at times tended to prevent the farmer from realizing a fair profit and a decent living.

The courts have taken the position that the legislature may pass acts enabling farmers to engage in group marketing of their products and that these acts are in line with sound public policy. In a case involving the Cane Growers' Coöperative Association of Georgia, handed down in 1925, the court said in substance:

The law is a mere enabling act. The general assembly . . . entered a new field of legislation and sought to relieve a condition of extreme economic depression in all agricultural pursuits to accomplish which the necessities of a great public interest may evolve legislation and reasonable classification.

In *Warren* v. *Alabama Cotton Growers* (1925) we read:

When the Legislature thus speaks, whether it be governed by age-old principle, or by merely ephemeral expediency, it eliminates the question of public policy from the cognizance of courts in their administration of the legislative Act. As a matter of fact, while some of the fundamentals of public policy will probably remain unchanged through all the ages, public policy is generally affected by the changing values of expediency; and hence a public policy which in one age proscribes certain conduct as injurious to the public welfare, may in a later age, under changed economic and social conditions, wisely and justly tolerate, if not encourage as beneficial, the identical conduct.

In the same vein, in a case involving the Nebraska Wheat Growers' Association (1925), the court declared that coöperative marketing is not contrary to sound public policy:

We are not unmindful of the evil sought to be avoided at common law, and by our legislature in enacting the above statutes, to wit, combinations in restraint of trade in the hands of individuals. However, as we view the contract in question, its purpose is not to retard but to stimulate trade, by intelligent and efficient management by the few in touch with the demand for wheat, considered in connection with the mode and distance of its transportation, and its impelling enticement to buyers by reason of the quantity controlled by those in charge. It is organized for mutual help, is without capital stock, is not conducted for profit, but is a simple, businesslike scheme of those engaged in wheat growing to advantageously handle and market their product, and this without encroachment upon the rights of others. That it is without the evil aimed at by anti-trust laws is proved by its being open to all, its profits, if any, divided without preference, and there being nothing within its scope or procedure which tends to control prices, restrain trade, or prevent competition. Thus we conclude that this contract does not contravene either of the above-mentioned statutes or the common law.

INSPECTING THE APPLES IN THE ORCHARDS OF THE COÖPERATIVE APPLE GROWERS OF THE NORTHWEST

Frank Evans, marketing counsel for the American Farm Bureau, in his most excellent brochure entitled "The Trend of Judicial Decision in Coöperative Marketing," sums up the situation as follows:

In 1910, President Roosevelt's Country Life Commission urged that "there must be a vast enlargement of voluntary organized effort among farmers themselves." "It is indispensable," said the report, "that the farmers shall work together for their common interests and for national welfare." Every political leader of national prominence in this country has given voice to like views since this report was written, and during the past five years these views have received almost universal commendation. Farmers began to realize the fact that the solution of their problems was in their own hands and that, if their industry was to be stabilized and made secure, the effort must come from within. It became evident, too, that this could not be accomplished by individuals working alone, but that group action was indispensable.

It was at this point that the existing farmers' service and educational associations assumed both a defensive and aggressive attitude, and at least one of these great societies took definite organic form largely as a result of this economic pressure.[1] The producer has responded to the best thought of the nation, which was prophetically expressed by Roosevelt when, in 1910, he said: "If there is one lesson taught by history, it is that the permanent greatness of any state must ultimately depend more upon the character of its country population than upon anything else. The problems of farm life have received very little consideration and the result has been bad for those who dwell in the open country and, therefore, bad for the whole nation. . . . I am well aware that the working farmers themselves will in the last resort have to solve this problem for themselves." The farmers through these societies, such as the American Farm Bureau Federation, the Grange, and the Farmers' Union, became the advocates of their own cause, and they placed it before the country with such earnestness and conviction that almost all interests were converted. One of the direct results of this campaign of education is reflected in numerous judicial decisions where

[1] American Farm Bureau Federation, organized in 1920.

the courts have taken judicial notice of the agricultural emergency,[1] and upon that theory have sustained coöperative marketing laws, affirmed membership contracts, and approved the operations of the coöperative marketing association.

Public opinion having been thus established, it immediately began to crystallize into statutory form. The right of the legislature to declare the public policy was at once challenged by those interests whose continued enjoyment of alleged rights lay in the isolated condition of the farmer, and a group of well-recognized authorities supporting their contention were commonly cited.[2] But the courts have uniformly held that the legislature has the right to express the public policy and that it having spoken, it remains for the courts to give effect to the legislative will.[3] The theory of our court decisions is that the constitution is not only declaratory of the highest conceptions of truth and justice with reference to community life when adopted, but that since constitutions are written for time and not for a day, their interpretations should be made in view of present community welfare.[4] The validity of the membership contracts entered into by these marketing associations was assailed as being in restraint of trade and free competition and a respectable line of decisions drawn from the earlier cases were invariably relied upon,[5] but in this respect also the decisions have been almost uniformly favorable.

It is hard to unlearn the lessons of textbooks when they have been with us for generations, and so we still have highly respectable authorities insisting that our economic system is based and must

[1] *Liberty Warehouse Co.* v. *Burley Tobacco Growers' Coöperative Association* (Court of Appeals of Kentucky, May 1, 1925), 271 S.W. 695; *Harrell* v. *Cane Growers' Coöperative Association*, 126 S. E. 531; *Warren* v. *Alabama Farm Bureau Cotton Association* (April 23, 1925), 104 So. 264.

[2] *Union Sewer Pipe* v. *Connolly* (1902), 184 U.S. 540; *In re Grice* (supra); *Gay* v. *Brent* (1915), 166 Ky. 833, 179 S.W. 1051.

[3] *Kansas Wheat Growers' Association* v. *Schulte* (Kansas, 1923), 216 Pac. 311; *Potter* v. *Dark Tobacco Growers' Coöperative Association*, 201 Ky. 441, 257 S. W. 33. See "Farmers' Coöperative Associations as Legal Combinations," by J. D. Miller, 7 *Cornell Law Quarterly*, 293 (1922).

[4] *Potter* v. *Dark Tobacco Growers' Coöperative Association* (supra).

[5] *Reeves* v. *Decorah Farmers' Coöperative*, 160 Ia. 194; *Ludowese* v. *Farmers' Mutual Coöperative*, 164 Ia. 197; *Georgia Fruit Exchange* v. *Turnipseed* (1913), 9 Ala. App. 123, 62 So. 542; *Burns* v. *Wray Farmers' Grain Co.* (1918), 65 Colo. 425.

operate upon the principle of competition, while many others are becoming convinced that in practice the theory does not always work. Most of the apprehension that has been aroused lest the tendency towards combinations and coöperation would do violence to the theory of competition would be allayed if the larger purposes and the enlarged possibilities of combined action, with its added strength and ability, could be fully appreciated. It is well to bring the producer to the school and to the counting-house; but there is only one way of getting the true spirit of the coöperative association, and there is but one means of appreciating its virtues, and that is to get away from the classroom and office and to go to the farm, to the community meeting of the coöperative society, into the cooperative creamery, the candling plant, the packing house, and the warehouse, and thence to follow the product to the market place, carefully graded, packed and labeled, and offered as a quality product to the consumer at reasonable prices; and further pursuing the inquiry, to trace the returns into the hands of the producer and discover that he has been paid according to his deserts. "As ye sow, so shall ye reap."

In this process of coöperation, competition will still be found, but not mere personal competition, not the type of competition that depends upon mere cunning in disposing of the product, but rather a competition in the quality of the product. Salesmanship is secondary. The selling effort has been put into quality production and begins on the farm. Coöperation involves pooling and the inferior product is automatically penalized, creating the strongest incentive for excellence.

The observation is frequently made by our courts that our economic system is based upon competition; that "Competition is the Life of Trade." Our economic system under this better form of competition may yet be based upon coöperation, and the time may come when our familiar commercial maxim will take the form "Coöperation is the Life of Trade."

# CHAPTER XII

## THE TARIFF, THE SURPLUS, AND OTHER PROBLEMS OF RURAL LIFE

In order that we may see the problems of the coöperatives more clearly and better understand their relation to the great problem of rural life, let us state the chief features of this problem briefly.

**The rural-life problem.** The rural-life problem is a problem of maintaining a balance between rural and urban life. It is a problem of maintaining in rural communities a standard of living and a level of intelligence which are on a par with those in urban communities.

This, at bottom, is an economic problem. To maintain a standard of living and a level of intelligence in rural communities as high as those in urban communities it is necessary to maintain the home price of the products of agriculture on a parity with the home price of the products of the other great industries. The home price is the all-important price, because the great bulk of the products of agriculture and of our other great industries are exchanged and consumed within the United States. Only a small fraction of these products is now sold abroad.

At present the home price level of agricultural products is below the home price level of the products of the other great industries, with the result that the standard of living is lower in rural than in urban communities, and the most competent young people are leaving the farms and going over to the groups that have a higher standard of living. This lowers the general level of intelligence on the farms and if not corrected will bring incompetence in the industry that feeds the nation.

This situation leads us to inquire as to how the other great industries have been able to build up a home price level for their products which is above the home price level of the products of agriculture? Of the many factors that enter into this we will present those that have had the largest influence.

**The employment of superior business managers.** The great industries, with the exception of agriculture, have comprehended the vast importance of superior business management. For more than fifty years organized industries have been employing the very highest type of business ability that could be found to direct their production and build up the home price level of their products. As a result of years of most careful study and wide experience the superior business management of the organized industries has done three things which have proved to be good business and have built up the desired price level:

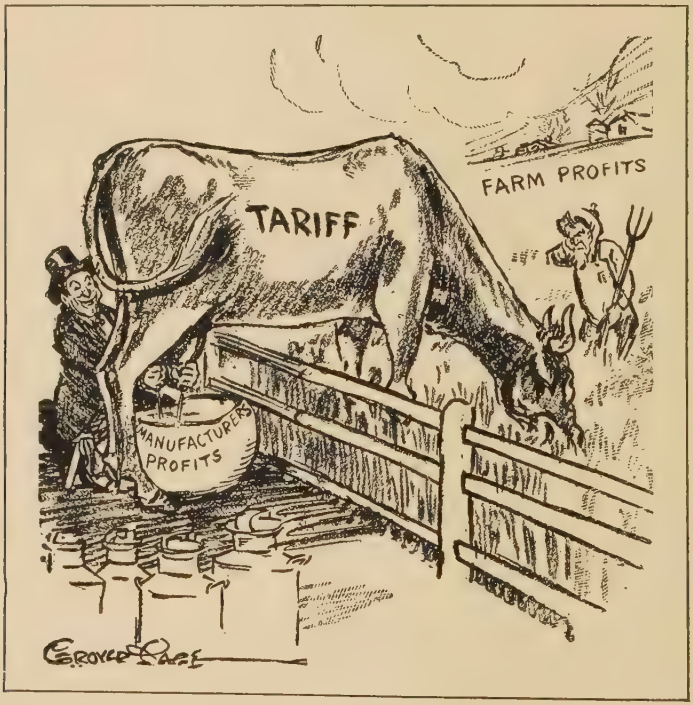
1. They secured, in the case of those products susceptible to foreign competition, the establishment by Congress of high tariff walls to shut out foreign competition at a low price level.

2. They organized group marketing to give them greater bargaining power and, through the most businesslike merchandising of their products, built up their price level behind the tariff wall.

3. They handle their surplus production so intelligently that they do not permit it to breach their tariff wall and bring down the home price to the level of the foreign price. These business managers know that a large overproduction by their own industry at home would break down their home price just the same as if the tariff wall was taken down and a large surplus of foreign goods came in; so they handle the matter of surplus production with great care. When it begins to appear that a surplus is being produced, they check production at home by reducing hours or by laying off men; and if there has been produced so great a surplus above the demand which can be created by good business methods that it threatens to break

the home price, they get rid of it by dumping it abroad at the best price it will bring.

It is obvious that if agriculture is to maintain its home price level on a parity with the home price level of the great




PROFIT AND LOSS

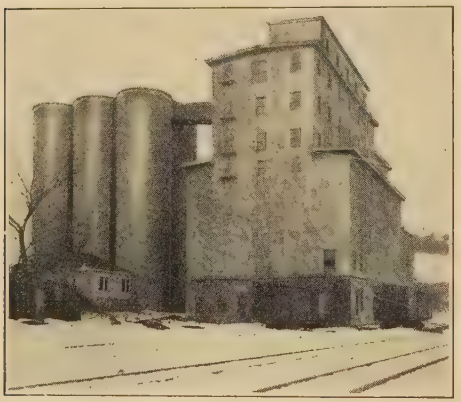
The protective tariff as it appears to the farmer who raises a product on which there is no tariff protection which functions. (Page in the *Louisville Courier Journal*. Courtesy of the *Literary Digest*)

organized industries and thus be able to maintain its standard of living and its standard of intelligence on a parity with those of the other great industries, it must adopt the same steps of efficient business; namely, (1) agriculture must employ superior business managers; (2) so long as other industries enjoy

the protection of a tariff wall, agriculture must have a tariff wall equally as high for all its products that are susceptible to foreign competition; (3) agriculture must make use of group marketing to build up behind its tariff wall a home price equally as high as that maintained by the other great industries; (4) agriculture must give the same intelligent care to the problem of surplus as is given to this problem by the other great industries.

**The problem of surplus farm products.** This brings us to the most pressing problem which the farm coöperatives have to face, the problem of the surplus farm products. This is the problem not of the farm coöperatives alone but of every American farmer who produces a commodity in which a surplus develops and breaks the home market price. The burden of the surplus, however, falls with exceptional severity on the farm coöperatives under present conditions in the United States. This is true because at the present time only a part of the farmers who produce a given commodity, say, tobacco, for example, are included in the membership of the coöperative dealing with that commodity. As the coöperative makes use of its bargaining power to raise the price of tobacco to a more profitable level, the farmers both inside and outside the coöperative are stimulated by the better price to produce more tobacco than is needed to meet the normal demand. A surplus accumulates which threatens to break the price for all. The coöperative makes use of its bargaining power to hold up the price by withholding a large share of its tobacco from the market. The tobacco-growing farmer who is not a member of the coöperative sells all his tobacco at the higher price maintained by the action of the coöperative, leaving the surplus on the hands of the members of the coöperative. Plans are under way to remedy this very unjust situation, which, if it is not remedied, will forever defeat the efforts of agriculture to build up its home price by group marketing to the same level as the home price maintained by the other great industries.

**Fat and lean years.** The problem of surplus in agriculture is made more complicated and difficult to handle by the vagaries of nature. After man has laid his plans to produce a given amount of a farm commodity for the year, nature may greatly increase the actual production by a favorable combination of weather conditions and freedom from diseases and insect pests, or she may greatly decrease it through a combination of unfavorable weather conditions, diseases, and insects. The farmer is at a great disadvantage here as compared with the producer of steel, for example, who knows that a given number of hours of labor and a given number of pounds of coal and iron will produce a given output of steel. Hence agriculture must provide for carrying over a safety surplus from fat years to lean years. This is a heavy burden on agriculture, inasmuch as depreciation, storage charges, and interest on the money tied up in the surplus soon eat up the profits. Some thinkers on this subject maintain that since this safety surplus of farm products is carried over for the protection of the whole people, the whole people should share in the burden of storage and interest charges.



ELEVATOR OF A FARMERS' COÖPERATIVE WHEAT-MARKETING ASSOCIATION, LEAVENWORTH, KANSAS

**Disposing of surplus farm products.** The disposal of surplus farm products is the most difficult economic problem which agriculture faces at present, because the potential producing power of American farmers is as yet greater than the potential consuming power of the American people. This is true of all

our great industries. The solution of the problem of farm surplus is made more difficult by the political temptations involved. Let us examine carefully the methods which the high-grade business men who are employed by the organized industries use to meet the problem of surplus and see if these methods cannot be employed with advantage in meeting the problem of surplus products in agriculture. First let us note that the business man takes definite steps to check overproduction. He knows that to produce a large surplus at home will break his home price just as surely as to take down the tariff wall and let in a large surplus from foreign countries. He maintains his high price level at home by dumping abroad any home surplus which threatens to break his home price. He is not so foolish, however, as to go on producing a surplus at home and dumping it abroad in case it must be sold abroad at a loss. All farmers and those who make political capital of the farmers' economic distress should fix their eyes on this fact and keep them fixed there. Here is the secret of the means by which the real business man handles surplus successfully. Farmers, then, if they wish to maintain a home price on a level with the home price maintained by the other great industries must stop producing at home (except for the safety carry-over from fat years) any large surplus which will break their home market price. Any system of political hocus-pocus which would encourage American farmers to produce an increasing surplus at home and dump it abroad at a loss would presently bring about its own destruction. Any export corporation set up to handle surplus farm products must provide first some effective means of checking at home the production of surplus that must be sold abroad at a loss, or it will presently destroy itself. This will remain true as long as the world price of such agricultural commodities remains lower than the home price which should be established for these commodities to bring parity with the home prices maintained by the other great industries.

It is obvious that if the production manager of a corporation did not coöperate with the sales manager by limiting production to the amount which could be sold by good business methods, he would wreck the business. In the farm coöperatives the individual farmers are the production managers. If they will not coöperate with their sales manager by limiting production to the amount that can be sold by good business practices, they will wreck the business. The best way to dispose of all the problems of surplus is to refrain from producing a surplus.

A PART OF THE CENTRAL OFFICE OF THE NORTH CAROLINA COTTON GROWERS' COÖPERATIVE ASSOCIATION AT RALEIGH

**How to check overproduction of commodities on farms.** In the method used for checking overproduction agriculture can learn an important lesson from successful business. The other great industries have learned that the more completely they are organized to control the production of a commodity, the easier it becomes to check overproduction. The most important step, then, is the organization of a large majority of the producers of each farm commodity into a coöperative association for producing and marketing that commodity. Then the individual farmers will be directly penalized through their own association if they disobey the advice of their managers — who have very carefully investigated all the factors involved — and produce more than the amount which the managers have found will meet all the demand good business methods can create. The penalty is simple and direct.

EVANGELICAL
SCHOOL OF THEOLOGY


Overproduction breaks the home price; the member receives a smaller pay check and some pointed advice from his business manager, who sets before the members the economic facts of their business to help them to think straight. It is evident that intelligence and enlightenment among the membership is very important in controlling the production of farm surplus.

**A Federal board proposed.** It is suggested that until such time as the great majority of the producers of a farm commodity are organized to control the production of the commodity in a businesslike way through coöperative marketing associations, temporary means should be provided. A Federal board is suggested, with powers to sell the surplus abroad and assess the loss against the producers at home to check production both among members of the coöperative and among nonmembers. If there is no surplus, there is no tax against the producer; if there is a surplus, the tax is made high enough to cover the loss of selling the surplus abroad. The advocates of this plan believe that by such means it would be possible to check the production of surplus at home, thereby enabling the coöperative to build up its home price (behind a tariff wall, just as long as others have a tariff wall) until it is on a parity with the home price maintained by the other great industries through the same process.

**Simultaneous organization desirable.** During the period while the farm coöperatives are being developed in the United States it will assist in checking overproduction in one commodity if coöperative marketing of other commodities is carried forward simultaneously. Then those farmers who have soil and climatic conditions which enable them to produce several different commodities to advantage will not cut down their production of other commodities and contribute to the overproduction of one commodity that has obtained a more advantageous price than the others through the development of coöperative marketing.

**Surplus and soil fertility.** The problem of farm surplus is very closely connected with the problem of maintaining soil fertility. American farmers are mining the fertility out of the soil and selling it off their farms. It is estimated that at least one fourth of the land under cultivation should be held in pasture and leguminous crops if fertility is to be maintained. A much smaller fraction than this is now reserved for soil building. If a larger amount were reserved for this purpose, the fertility of the land would be better preserved and the surplus of farm crops would be reduced. By giving a graduated exemption from the surplus-sales tax to those farmers who reserve a portion of their land for soil building, they could be encouraged to increase the fertility of their farms by holding a larger part in pasture and legumes and at the same time to reduce the surplus of farm products.

**Farm ownership and the surplus.** Ownership farming is a very important factor in the efficiency of the farm coöperatives. The more efficient the farm coöperatives become, the stronger they are to manage such problems as that created by the surplus of farm products. Farm tenantry weakens the coöperatives, because a shifting body of tenants does not make as dependable a foundation for coöperative enterprise as does a permanent body of landowners. Crop liens and mortgages on the crops of tenant farmers very often create serious difficulty for farm coöperatives. The tenant adds to the problems of surplus and of soil depletion, since it is to his interest to put as large a part of the land as possible in marketable crops and to reserve as little of it as possible for purposes of soil building. In Denmark, as has been related in Chapter V, long experience has taught the farmers and the state that ownership farming is very important to the success of the coöperatives. Great effort has been made there, through tax legislation and through a state-supported land bank which makes long-time loans to farmers for the purchase of land on an easy-repayment plan, to turn all farmers into landowners. Less

than 5 per cent of the Danish farmers are now tenants. The result is that they now have a foundation of landowning farmers on which to build the coöperatives. American agriculture must build for its coöperatives the same sound foundation of ownership farming. It is obvious that landowning farmers possess, to a very much greater degree than tenants can possibly have it, the grace and the grit to discipline themselves and check the surplus.

**The Federal Land Bank.** In order to convert tenants whose interest it is to rob the soil into owners whose interest it is to maintain soil fertility, the Federal government has organized a Land Bank for lending money to farmers on a long-time easy-repayment plan for the purchase of land. The Federal government goes to the business centers where investment money accumulates and borrows large amounts on long time at a low rate of interest by selling United States Land Bank bonds backed by the credit of the United States. The individual farmer is in no such advantageous position to borrow money. He is far from the financial center and unknown; he wishes to borrow a comparatively small amount on his individual credit. Usually he has been forced to borrow locally at a high rate of interest.

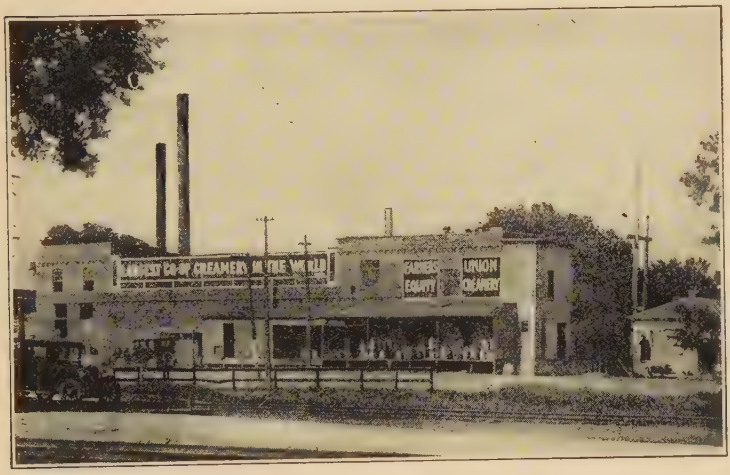
The Federal government distributes to twelve regional Land Banks the money which it has borrowed at a low rate; these in turn distribute it to associated banks scattered throughout the farming territory. Ten or more farmers who wish to borrow money for the purpose of buying or improving land form a credit circle, each taking stock equal to 5 per cent of his loan, and all becoming jointly responsible for the loan of each. They secure money from the nearest member of the Federal Land Bank, giving, in addition to the security of all the farmers of the credit circle, first mortgages against the land. Amounts may be borrowed up to half the value of the land plus one fifth the value of the improvements, with the maximum at $25,000. The maximum time of repayment is thirty-four years. Sixty-

seven equal semiannual payments are made. The first payment is due six months after the loan is made. One per cent is paid each year toward discharging the principle. This, together with the interest on the loan, is paid in equal semiannual installments. After five years any additional amount desired may be paid toward discharging the principal. By this plan the farmer has been able to borrow money for the purchase of land at about 5 per cent, which is from 1 to 2 per cent less than he could usually get it locally. However, to borrow money at 5 per cent and invest it in farm land which pays in the neighborhood of 3 per cent on the investment is not necessarily good business. What is needed in America to turn tenants into landowners is the combination of two organizations which the farmers of Denmark use for this purpose; namely, (1) the land bank, to enable the farmer to secure long-time loans at a low rate of interest for the purchase of land on an easy-repayment plan (see Chapter V); (2) coöperative marketing, to bring back to him sufficient profit with which gradually to repay his loan.

Unless coöperative marketing accompanies the Federal Land Bank, the loans may do the farmer more harm than good by getting him more deeply into a debt which he can never repay.

**Organization to stabilize the price of land.** Loans on farm land at low rates, together with coöperative marketing to bring the farmer sufficient profits to pay off these loans, must act to increase the price of land to undesirable heights unless the farmer uses intelligent self-restraint in this matter. The stimulation of the price of land to a point where it cannot yield a reasonable income on the investment is as foolish as stimulating the production of a surplus at home which must be sold abroad at a loss. Some form of organization to stabilize the price of land in relation to the income it will produce on the investment will be highly desirable when the major farm commodities have been effectively organized for coöperative marketing. Intelligent stabilization of the price of land by farmers themselves

must be worked out by a process which takes into consideration all the following factors: (1) a standard of living equivalent to that in urban communities; (2) a reasonable wage for the farmer and all the members of his family whose labor enters into the family's production; (3) the tax load on farm property; (4) the productive power of the land year after year.



ONE OF THE LARGEST COÖPERATIVE BUTTER FACTORIES IN THE UNITED STATES, AT ORLEANS, NEBRASKA

To hold the price of land at its true productive value as determined by all these factors, it may become necessary to check the tendency of nonresidents to buy land for the purpose of holding it for speculation. This may be accomplished by a special tax on land not operated by the owner.

**The old-fashioned virtues of hard work and economy.** If the standard of living on American farms is to be maintained on a parity with that supported by the efficiently managed industries, it will be necessary for farmers not only to make the best use of the tariff and group marketing and intelligent control of surplus in building up the levels of their prices, but also to

practice the old-fashioned virtues of hard work and economy. The importance of these factors has been made plain by the long experience of mankind. The race that works hard soon comes to possess the land of the race that does not work. The Indian did not work; hence the white workers soon took possession of his land. The Japanese worker is now taking the farm land in some sections from the less industrious American farmers. Hard work is absolutely essential to a sound, continuing prosperity. "In the sweat of thy face shalt thou eat bread." Without hard work there can be no long-lived prosperity. This is true of all industries; agriculture is no exception.

American farmers must give more attention to planning their year's program of work in such a way that they can keep themselves occupied at productive work of one kind or another throughout the year. Slack periods eat holes in prosperity. The wheat farmer who works a total of ninety days seeding and harvesting his crop and expects to go easy two hundred days because he is a wheat farmer has little call on prosperity: he holds ninety bona-fide checks on the bank of prosperity and two hundred blanks. To the extent that the slack time can be used in preparing food for the family, feed for the live stock, or articles in common use about the home or the farm, such time will be turned from a liability into an asset toward prosperity. Henry Ford suggests that piecework from factories should be done during the slack time on those farms conveniently located to sources of electric current for driving the machinery. The farmers of Germany and Denmark have demonstrated that continuous productive work throughout the year is a very important factor in developing prosperity on the farm.

Economy and thrift have always been important factors in the development of sound prosperity, and they will always continue to be. The easy dollars of war prices revealed how near the surface the tendency toward extravagance lies in most of us. Take the use of the automobile, for example. The automobile is essential to farm life, and no one has a better right to

its use than has the farmer; but the farmer who spends time riding about in his automobile when he should be working in the fields, and the farm community that spends three times as much on its automobiles as on its schools, are both guilty of a form of extravagance which destroys prosperity. A reasonable sacrifice of our personal desires is necessary to prosperity, but there can be no continuing prosperity without economy and thrift.

Efficiency in production is as necessary to prosperity in agriculture as it is to prosperity in any other industry. Improvement in varieties of field crops and methods of cultivation, improvement in live stock and methods of feeding, and improvement in methods of maintaining soil fertility are essential to continued prosperity in agriculture. It is incumbent upon agriculture to increase its efficiency as much as possible in all these lines to balance the increased efficiency developed in other industries through mass production and skilled business management.

Let us not forget that although hard work, continuous productive work throughout the year, economy and thrift, and efficient production are all essential to the prosperity of agriculture, all of these together will not insure prosperity on the farm today. There must be added, if the standard of living on the farm is to be maintained on a parity with the standard of living in the other great industries, the three steps by which these industries maintain their home prices at a high level; namely: (1) an equally high tariff on those products susceptible to foreign competition (while the other industries are protected by the tariff), (2) group marketing of the commodity, and (3) an intelligent control of the surplus.

When agriculture sets out definitely to do these things, it may expect to be able to maintain a standard of living on the farms equivalent to that maintained in the urban communities and to stop the decline of intelligence among farm people.

# CHAPTER XIII

## IGNORANCE CANNOT MEET THE PRESENT CRISIS

We have seen in preceding chapters that rural life in America is declining in brain power and in buying power. The most capable young people of each generation are deserting the farm. The inferior ones are left to be the parents of the next generation. The average of mental ability among farmers is for this reason gradually declining. The buying power of the farm is also decreasing. The young farmer cannot pay for his farm out of the meager returns; hence landlessness is increasing. The ownership of the farms is less and less in the hands of those who toil on them. Mortgage indebtedness piles up against the farms. The farmer's equity in these mortgaged farms is becoming less and less. Taxation against farm lands has increased until it has become a heavy burden. Increased taxation and decreased buying power create a real hazard on the farm. In many rural communities the homes, the schools, and the churches show signs of decay. Rural life is on the decline; it will continue to decline until effective means are instituted to reëstablish a balance between urban and rural life. There is no other hope.

We have seen that rural life cannot be brought up into balance with urban life until the buying power of the farm is reëstablished on a parity with the buying power of the other great industries. In no other way can the standard of living on the farm be brought into balance with the standard of living elsewhere.

We have seen that the buying power of the farm cannot be reëstablished on a parity with the buying power of the other great industries until agriculture makes as effective use of

group marketing, of the tariff, and of the control of its surplus as is now made by these others.

We have seen that in order to make group marketing a success farmers must stick together. They must stick together in

THOMAS JEFFERSON

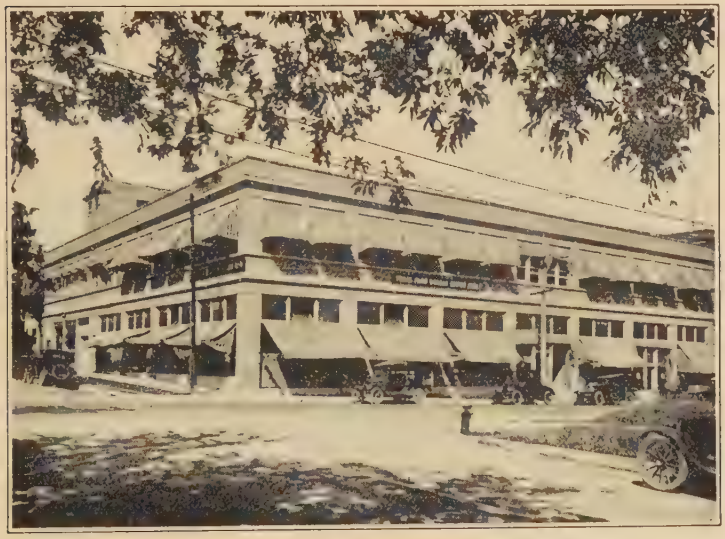
Author of the Declaration of Independence, who said, "No people can remain both ignorant and free." (Courtesy of R. W. Holsinger, Charlottesville, Virginia)

an intelligently and efficiently operated business. This is hard for farmers to do. It is particularly difficult for them in the case of a great staple commodity (wheat or cotton or hogs, for example) which is produced by millions of individual farmers

scattered over thousands of square miles of territory. Many doubting Thomases say that it cannot be done. But it is being done. Those who are making a beginning at coöperative marketing of the great farm staples have discovered that the greatest stumblingblock in their way is ignorance on the part of the farmers themselves. Ignorant farmers cannot get together nor stick together in an intelligent attack on a problem so vast. Ignorance is utterly incompetent to deal with it. This problem is so difficult that ignorance is helpless and utterly hopeless before it. This problem can be solved only by intelligence and enlightenment. This is the task of education.

We have seen that in order to make use of group marketing in agriculture the farmers must build a successful coöperative business machine. This machine must be managed from the bottom up by the members themselves. It must develop efficiency of the highest order in the exacting field of business; it must develop bargaining power fully equal to that of its great rival, the big city corporation. The big corporation is very efficiently operated by a skillful board of directors at the top; it is comparatively easy to manage a big business machine from the top down. The farm coöperative must be operated with equal skill from the bottom up by its farmer members. To manage a big business machine from the bottom up is a very difficult thing to do. The doubters say that it cannot be done. They say that the group of farmers at the bottom of a coöperative can never match the brains and skill at the top of the great city corporations. Surely ignorance cannot cope with these masters of big business. Ignorance is completely unhorsed before such an adversary. The farm groups which manage their business machines from the bottom up by the coöperative plan must be the best-educated and most enlightened groups of common men in America or they must bow the neck as economic slaves and underlings. The farm group now feels the full force of Thomas Jefferson's famous remark, "No people can remain both ignorant and free."

We have seen that in order to make group marketing successful the farmers must have an intelligent comprehension of its advantages over individual marketing. They must see this so clearly that they will be eager to join the coöperative association. They must have an intelligent understanding of the manner in which a coöperative builds up its bargaining power.



HEADQUARTERS OF THE COÖPERATIVE MARKETING OF COTTON IN TEXAS

This building is owned by the farmer members of the Texas Farm Bureau Cotton Association, Dallas, Texas

They must comprehend this so fully that they will deliver all their crop scrupulously, exactly as they have agreed to do. They must have an intelligent grasp of the whole plan for the purpose of seeing clearly through unfriendly propaganda and of sticking tight to their coöperatives through thick and thin. They must understand why the indifference or disloyalty of one member weakens the whole group. They must see this so clearly that they will feel a deep conviction of personal

responsibility to the other members of the group. They must understand modern business practice — how the game is played — so fully that they will quickly and cheerfully supply the information necessary to efficient operation by the business management. They must use intelligent means of keeping the public generally informed on the principles and practices of coöperative marketing. This must be so well done that local merchants and bankers and the public in general will give the coöperative intelligent and sympathetic support. Farmers must realize so fully the need of united, rapid, and vigorous action — action in which all strike together as one man — that they will give loyal and instantaneous obedience to the business manager whom they have chosen to direct the activities of their group. They must comprehend so completely the whole great problem of group marketing that they will feel the necessity of keeping themselves constantly informed and dynamically interested in the affairs of their coöperative. They must take an active, vital interest in the improvement of its methods of operation and in the extension and development of their business through coöperatively owned processing plants and better processing methods. All these things are necessary to the effective functioning of the coöperative-marketing machine. Without these things it must fail. They cannot be accomplished by ignorance. Ignorance only clogs the machine. Ignorance breaks down effective operation and causes the machine to go to pieces. Here is a supreme task for education.

We have seen that farmers must make effective use of credit. If they are to be as successful in business as the great corporations are, they must make equally as effective use of the credit resources of the nation. In the first place, the farmer needs credit for the acquisition of land. Land is his chief productive resource. It requires a large investment. The investment yields a low return. Hence the farmer must secure credit for this purpose at the lowest possible rate of interest on a repayment plan that extends over a long period of years with small

payments at regular intervals to discharge interest and principal. Does the present Federal Farm Loan Bank meet this need adequately? Experience with the land bank is yet too limited to answer this question. In the second place, the farmer needs credit for the purposes of production; that is, for the purchase of such animals, machinery, family supplies, feed, and seed as he must have for making a crop. Farmers must be able to secure production credit without putting themselves at the mercy of local bankers and merchants. These, in times past, have often charged the farmer an excessive rate of interest, and through crop liens have interfered greatly with his freedom to deliver his crop under those circumstances which would be most advantageous to him. How shall farmers most effectively secure production credit? Shall they do it by pooling the character of a select group of farmers and, offering this as security, borrow from the large credit centers as the farmers in Germany and Denmark do? Or shall they pool the crop expectations as well as the character of the members of the group and offer both as security? Shall the Federal intermediate credit banks furnish production credit generally to farmers on such security? In the third place, the farmer needs credit for marketing purposes; that is, when crops have been finished on the farm, for holding these crops to be marketed from time to time throughout the year or to be converted into a more finished form for market. The finished crops held in storage by the big coöperatives can be made to furnish excellent collateral for securing credit for marketing. Finally, the farmer needs credit for handling commodities like live stock and poultry, which must be kept on feed while they are being held for orderly marketing. The giving of credit for this purpose combines the problems of production credit and of marketing credit. The whole problem of adequate credit for agricultural purposes is a most important and most difficult one. It must be dealt with most intelligently. Ignorance makes helpless victims of men where matters of credit are concerned. Ignorance makes men the easy prey of

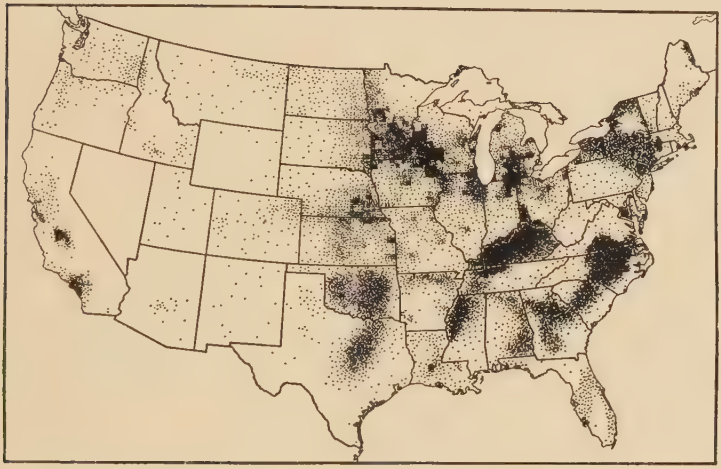
the unscrupulous and the grasping. Here is great need for enlightenment. This is the task of education.

We have seen that in order to make group marketing successful the farmers must learn that a skilled manager is absolutely necessary. They must learn that it is absolutely necessary for them to work with him willingly and continuously and intelligently. If they are to bring their bargaining power upon a parity with the bargaining power of the big organized industries, they must have leaders with as much brain power, as much enlightenment, as much technical knowledge, and as much skill as have those whom big business employs. The leaders of farmers' coöperative enterprises cannot gain this power and skill merely "by following a plow and looking at the hind end of a horse"; neither can the members of coöperatives learn how to coöperate intelligently by that process. Ignorance is disastrous here. It defeats the efforts of the farmer at every turn. If the farmers are to raise up leaders of real power on the farm, and if they are to raise up a membership which can coöperate intelligently with these leaders, they must be universally enlightened. This is the task of education.

We have seen that in order to make coöperative marketing successful the farmers must learn to control the surplus. Unless they do this they cannot build up the home price. A surplus of any commodity beyond the demand which can be created by good business methods breaks down the home price. Farmers must learn to use a tariff wall to shut out a foreign surplus as effectively as do the other organized industries. At the same time they must learn (1) to prevent the production of a surplus of the commodity at home which would break the home price just as does a surplus brought in from abroad; (2) to adjust their production very intelligently to the probable demand for the commodity from year to year; (3) to carry over the normal surplus of fat years to meet the shortage of lean years; (4) when any real surplus accumulates and threatens to break

the home price, to dispose of it by storing, by conversion into other products, by efficient merchandising at home and abroad, and by dumping abroad at a loss when production of surplus has been stopped at home.

In connection with the control of surplus there are some very difficult problems to be solved. How may the probable



NUMBER OF FARMERS SELLING THROUGH COÖPERATIVE ORGANIZATIONS IN THE UNITED STATES IN 1923

Each dot represents 100 farmers. (Courtesy of the United States Department of Agriculture)

demand for a given farm commodity be most accurately forecast? Shall the Federal government give the coöperatives assistance in forecasting? How may the forecast be most quickly conveyed to all growers of the commodity? How may these independent growers be impelled to suit their action to the need as shown by the forecast? Shall a penalty be imposed on the growers for overproduction? If so, how shall this be done? Shall it be done by a sales tax? by an equalization fee? Shall Congress provide for a Federal export commission to sell the surplus of farm crops abroad? Shall the handling of surplus be

left entirely to the management of the coöperatives? Shall there be joint action by a Federal board and the coöperatives for the purpose of handling the surplus? Ignorance is utterly

THE BEWILDERED NAG

The farmers disagree as to which road to take with their crop surplus. Ignorance cannot solve this problem. (Cartoon by Chapin in the *Literary Digest*. Published by permission)

incompetent to grapple with these problems of surplus. To solve them the farmer must not only be a tiller of the soil; he must be a student of agricultural economics as well. To solve these problems the operation of the farms must be constantly conditioned and directed by highly intelligent thinking. Either

the best of brains must direct the operations on American farms from now on or American farmers must be reduced to economic slavery by the better thinking and the more united action of other economic groups. Under modern economic conditions ignorance on the farm results in economic paralysis and slow death. This is accompanied by weird political ghost dances. The only remedy for ignorance is education. Farmers must have the best.

We have seen that to make the largest success of coöperative marketing the farmers must learn how to make themselves the owners of the land they cultivate. The greater the number of farm owners in the local coöperative, the stronger the bonds that grow from close personal acquaintance and the more stable the group. Shifting tenants do not make a satisfactory foundation on which to build an effective marketing machine. The greater the number of tenants, the greater the element of risk and uncertainty; the greater the number of tenants the greater the credit difficulties. Tenantship increases the crop liens and crop mortgages that prevent deliveries to the coöperative. We have seen that it is very difficult for the landless farmer to become a landowner today. The price of land is so high and the income of the farm is so small that this object is almost impossible to attain. It requires the most intelligent use of credit for land acquisition and the most intelligent use of group marketing to secure the income with which to pay off the debt. Ignorance cannot cope with this situation. Ignorance is a millstone about the neck of the farmer here.

We have seen that to maintain a prosperous rural life the farmer must learn to maintain the fertility of the soil. This problem is so difficult that few farmers have learned to solve it. It is so vital and far-reaching that we dare not neglect it longer. The problem of maintaining soil fertility is very complex and involved indeed. It includes the problems of maintaining the humus and phosphorus and potassium content of the soil by the use of fertilizers, the problem of maintaining the

nitrogen element by the rotation of legumes and pasture, the problem of lime, and the problem of selling the crop for enough to buy the necessary plant food to return to the soil. It includes the problem of turning the tenant whose interest it is to rob the soil into a landowner whose interest it is to conserve the soil fertility. The problem of maintaining soil fertility is so elusive that ignorant farmers are often not aware of it. It is so difficult that the most intelligent have great trouble in solving it. Ignorance is helpless before it. This is the task of education.

We have seen that farmers must learn how to secure a fair readjustment of the tax load. They cannot enjoy a fair share of prosperity with other occupations until they learn how to secure a fair adjustment of taxation between farming and these other occupations. The general-property tax now rests very heavily on farmers because they must employ a large amount of visible property which yields a very low rate of income; it rests much less heavily on many other occupations because they employ a small amount of visible property and have a relatively large income in proportion to taxable property. This unfair burden constantly grows heavier on the farmer. This method of apportioning taxes is deeply rooted in custom, old prejudices, and ignorance. This problem is as highly complex and involved as is modern business itself. Those who profit from this unfair situation will not seek to remedy it. The farmer must learn how to remedy it for himself. Ignorance is utterly helpless before this task. Ignorance is tremendously costly here. This is the task of education.

We have seen that the arch enemy of rural life today is ignorance. Ignorance cannot solve the appalling array of problems that beat down on rural life. These problems constantly grow in numbers and in complexity; they increase in difficulty; they grow more confusing; they demand increasingly more involved and far-reaching methods of solution. Ignorance cannot solve the problems of rural life in the twentieth century. Ignorance cannot hold a fair share of the most intelligent young

people on the farm to be the parents of the next generation. Ignorance cannot lift the buying power of the farm up on a parity with the buying power of the other great industries.

A COÖPERATIVE PACKING RAISINS

Intelligent management is necessary to operate a large packing plant like that of the Sun Maid Raisin Growers' Association shown above. (From Mears and Tobriner's "Principles and Practices of Coöperative Marketing")

Ignorance cannot bring back a balance in the standard of living. Ignorance must bow the neck to other masters. Ignorance leads to decay and death.

There is only one remedy for ignorance. That remedy is education.

All intelligent farm leaders comprehend this fact. All those who are working for the improvement of rural life recognize that the incubus of ignorance must be banished by better education before real improvement can come. They recognize that ignorance is a relative thing. The education which was sufficient to meet the needs of farmers half a century ago does not meet their needs today. Ignorance may be defined as the state of not knowing the things one ought to know and not being able to do the things one ought to do to make the largest success of life under the conditions which surround one. The Danish farmers have a saying: "What can you do for a man or for a nation that does not know and cannot or will not think? Every time you don't know something you ought to know, you pay a penalty for it."

All organized farm interests are now hard at work trying to educate the farm group up to the point where the individual members will know what they ought to know and can do what they ought to do to bring the buying power of the farm up on a parity with the buying power of the other great industries and thus reëstablish a balance in the standard of living. The great farm organizations, such as the Farm Bureau, the Farmers' Union, the Grange, the Institute of Coöperation, the National Council of Farmers' Coöperative Marketing Associations, the large coöperatives themselves, the agricultural press, the agricultural colleges, and the United States Department of Agriculture, are all hard at work trying to educate farmers in these matters. They recognize that the problems of rural life are too vast and too difficult to be solved by ignorance and that the specific things to be done require a very specific kind of education.

In June, 1926, Congress enacted a law which was signed by President Coolidge to encourage coöperative marketing as the most effective means of solving the farm problem. The following passages from the law indicate something of its purpose and scope:

An act to create a division of coöperative marketing in the department of agriculture; to provide for the acquisition and dissemination of information pertaining to coöperation; to promote the knowledge of coöperative principles and practices; to provide for calling advisers to counsel with the secretary of agriculture on coöperative activities; to authorize coöperative associations to acquire, interpret and disseminate crop and market information, and for other purposes.

Section 3. (A) The division shall render service to associations of producers of agricultural products, and federations and subsidiaries thereof, engaged in the coöperative marketing of agricultural products, including processing, warehousing, manufacturing, storage, the coöperative purchasing of farm supplies, credit, financing, insurance and other coöperative activities.

(B) The division is authorized —

(1) To acquire, analyze and disseminate economic, statistical and historical information regarding the progress, organization and business methods of coöperative associations in the United States and foreign countries.

(2) To conduct studies of the economic, legal, financial, social and other phases of coöperation, and publish the results thereof. Such studies shall include the analyses of the organization, operation, financial and merchandising problems of coöperative associations.

(3) To make surveys and analyses, if deemed advisable, of the accounts and business practices of representative coöperative associations upon their request; to report to the association so surveyed the results thereof; and with the consent of the association so surveyed to publish summaries of the results of such surveys, together with similar facts, for the guidance of coöperative associations and for the purpose of assisting coöperative associations in developing methods of business and market analysis.

(4) To confer and advise with committees or groups of producers, if deemed advisable, that may be desirous of forming a coöperative association and to make an economic survey and analysis of the facts surrounding the production and marketing of the agricultural product or products which the association, if formed, would handle or market.

(5) To acquire from all available sources information concerning crop prospects, supply, demand, current receipts, exports, imports, and prices of the agricultural products handled or marketed by coöperative associations, and to employ qualified commodity marketing specialists to summarize and analyze this information and disseminate the same among coöperative associations and others.

(6) To promote the knowledge of coöperative principles and practices and to coöperate, in promoting such knowledge, with educational and marketing agencies, coöperative associations and others.

(7) To make such special studies in the United States and foreign countries, and to acquire and disseminate such information and findings as may be useful in the development and practice of coöperation.

In spite of all efforts to educate adult farmers it is found that in many cases they have formed habits of individual action which make it very difficult for them to adjust themselves to the new needs for group action; in fact, in the past, under the old system of uncontrolled producing and marketing, it was often to the distinct advantage of the farmer to do not what his neighbors were doing but the direct opposite. These habits of individual action in the older farmers have been the slow growth of a lifetime. They are very deeply rooted. It is almost impossible for many farmers to uproot these firmly fixed habits and conform to the new plan of group action. The qualities that make good coöperators are matters of slow growth through the years; they cannot be put on like a new coat. They must grow slowly from within. It is almost futile to try to teach the new plan of group action to many of the older farmers. The efforts in many cases are largely wasted, and at best they are only partly successful. At the same time the great farm organizations realize that the older farmers are constantly dropping out of the ranks and their places are being filled by young farmers just out of school. They realize that the young farmers just coming in can form the new habits of

group action just as easily and naturally as their fathers formed the habits of individual action.

It is hard to teach old dogs new tricks; but if we begin with the puppies, we have better success. As the twig is bent the tree is inclined. Theodore Roosevelt stated a great truth when he said: "If you would do anything for the average man you must begin before he is a man. The hope of success lies in working with the boy and not with the man." Bismarck, the master who organized modern Germany for war, said, "What we would have come out in the lives of the people we must first put into the schools and teach to the children when they are young." The Danish farmers recognized this great truth. They saw that the largest and most permanent success lies in teaching the youth; that teaching the man must remain at best an uncertain risk. They found also that the proper early preparation of the youth makes the man respond much more quickly and intelligently to such education as is carried on for adults. The Danes made education, and particularly education of the youth, the means by which to achieve success in coöperative marketing. They placed on the first folk high school organized for this purpose, in the dark days of want and tribulation following the war of 1864, these words:

> What the enemy has taken from us by force
> We must regain by education from within.

The Danes have preserved for future generations the wooden sign bearing these words. They look upon it as prophetic of the great part education of the youth was to play in making a success of coöperative farm life in Denmark.

When Bishop Gruntvig called upon the Danish farmers to educate themselves for coöperative action and to stand up and be business men among business men, he ushered in a most significant movement for the improvement of farm life in Denmark; but when he organized the folk high schools for the

youth of the farms, he provided the educational means for making the movement effective.

All those who are interested in the improvement of rural life in America may well turn their attention at this time to developing a system of schools which will do for farm life what the folk high schools of Denmark have done. There the schools prepare the farmers for more successful coöperation; more successful coöperation in turn brings better profits; better profits enable the farmer to give better support to his school; better support to the school enables it in turn to make a larger contribution to the improvement of rural life. So the cycle runs. Today the Danish farmers are the best-educated group of farmers in the world; they are the most prosperous, with the highest percentage of landownership, with the best-improved farm homes, and with the largest influence in the affairs of state. Efficient education for success in coöperation is the secret of their rise to prosperity and power.

The Department of Rural Education of the National Association, through its committee on the teaching of coöperative marketing in the public schools,[1] is calling upon the rising generation of farmers in America to educate themselves for cooperative enterprise. The high schools in rural communities which are able to reach the youth of the farms, and particularly the 15,000 consolidated schools and the 180,000 one-teacher rural schools, offer the most effective place to begin the education of farm boys and girls for success in coöperative agriculture. We must bear in mind the fact that a thousand farm youths attend the public schools for every one who attends an agricultural college. The task of educating the farm group is the task of educating the farm youth. The common schools were established for this purpose.

Education has contributed much to better production on American farms. Is there any reason why it cannot make an equally effective contribution toward better marketing on the

[1] For the membership of the committee, see Appendix.

farms? We have paid much attention in the schools, in the boys' and girls' clubs, and in the agricultural colleges to education for better production. This has been effective. American farmers are today the greatest producers, man for man, of any farmers in the world. But we have educated for production only. We have paid little attention to education for efficient

QUEEN HILMA AND HER ATTENDANTS AT THE ANNUAL CELEBRATION AT APPLE-BLOSSOM TIME IN THE WENATCHEE COÖPERATIVE DISTRICT

One great purpose of coöperative marketing among farmers is to support an educated and cultured people

marketing. It may well be questioned at present if increased production without improved marketing does not do the farmer more harm than good. We have abundant evidence that in the present state of farm marketing a large crop brings the farmer less than a small one. Many farmers are now grasping the fact that it is the marketing end of the problem that needs the most attention and that education can help to solve it. They see the importance of beginning with the youth. A Texas farmer recently remarked, "If our schools will prepare our young people so they can help us make a real success of

coöperative marketing, the schools will bring back into this community ten times what they cost us."

In closing let us note that there was a time when the American people were just taking the first steps in organized political democracy. The founders of the Republic saw that education of the common people was the first essential to permanent success in this great experiment. Washington said, "In proportion as the structure of government gives force to public opinion, it is essential that public opinion should be enlightened." Madison said, "To put the conduct of affairs into the hands of the people without first educating the people will prove to be the prelude either to a farce or to a tragedy." The American people have heeded the warnings of the fathers and have taken great pains to educate their youth to make a success of organized political democracy. The time has now come when the American farmers are taking the first steps in organized economic democracy — for that is exactly what the coöperatives are. The other economic groups are now so well organized, so intelligently led, and so powerful that farmers must make use of the power of organized economic democracy through their coöperatives or bow their necks in subjection. If farmers are forced down into a debased economic position, they will finally pull the whole nation down to their level. If they are not to be forced into economic servitude, they must heed the warnings of the fathers and educate their youth to make a success of organized economic democracy. Shall the rural people permit their efforts to end in a farce or in a tragedy?

We believe that the principles of organized political democracy are sound. We have reason to believe that the principles of organized economic democracy are equally as sound. It took many years of study and of bitter experience to educate the common people to the point where they could put the principles of political democracy into successful operation. It will take years of bitter struggle and constant study to educate

the farm people to the point where they can put the principles of economic democracy into the most successful operation. Ignorance and prejudice were a constant menace then. They are a constant menace now. It has always been true that the people must learn to creep and to walk before they are able to run. The farm people will have many hard falls. The jolts will be severe. The shortsighted and the faint-hearted will lose courage and say that it cannot be done. In the flaming faith of an intelligent and thoroughly informed youth lies the hope of ultimate success.

The coöperatives now find themselves in a period of spiritual testing very similar to that which faced the American colonists in the dark days of the Revolutionary War. Then many colonists deserted the American cause and went over to the British. These disloyal farmers sold their produce to the enemy, because the enemy had money and could pay better prices for it. They cared nothing for the struggle and the suffering of that little band of patriots who were fighting desperately to establish a great principle; they cared only for the immediate advantage which the better prices offered by the enemy would bring them. Today those who struggle to establish the principles of coöperative agriculture for the benefit of all suffer the sting of disloyalty from those who ignorantly or selfishly sell outside the coöperative because they can get a better price temporarily from the enemy. This is the greatest weakness of the farm group today: the lack of such an intelligent and active interest in the welfare of the group as will cause the farm people to stand together and to stand on their own feet and zealously guard their own interests.

It is the task of education to stir the spiritual fires of the farm youth — to wake up their souls to care for their own cause. The farm people today face a great crisis. This crisis is as fundamental and as far-reaching as the crisis which faced the American people in the days of the Stamp Act and the Boston Tea Party. It is more fundamental and of larger im-

port than the great question which divided the North and the South under the eloquent leadership of Webster and Calhoun. That question concerned the slavery or freedom of a few million people who would not be classified as the most important group in the nation; this concerns the economic slavery or independence of thirty million people who must be regarded as the most basically important group in America. It is the task of education to prepare the farm group to meet the crisis by bringing to bear upon it the mightiest force known to this world — the aroused spirit of man. It is the task of education to engender in the youth of the farm such a vision of the possibilities of coöperative agriculture, such spiritual powers of intelligence, faith, loyalty, courage, and sacrifice that the almost insurmountable obstacles which confront rural life may be overcome in order that economic freedom of the common man on the land may be established and that a prosperous and intelligent farm people may be maintained as the enduring foundation of a great civilization.

## CHAPTER XIV

### THE HARDEST TASK AND THE POOREST TOOLS

Rural life in America is decaying. It is slowly slipping down toward peasantry. Many students of history believe that peasantry is inevitable; that it is the ultimate end of every agricultural people. They believe, therefore, that America must finally go the way that all agricultural nations of the past have gone. We do not take this hopeless view. America has one weapon against advancing peasantry which none of the great agricultural peoples of the past have had. That weapon is education, universal education of the common people. This is America's hope; her only hope of warding off the tragedy that has overtaken all the great agricultural peoples of the past.

The chief instrument for the education of the common people is the common schools. The time to educate the people is in youth. The farmer must be educated as a boy or lose out as a man. He has no other choice. Either the school must educate the youth of the farm for successful coöperative agriculture or the farm people must sink into economic servitude.

Uneducated and unorganized, the farmers must sink into decline. In the great game of life, as it is now being played between groups, the uneducated, unorganized farm group is no match for the better-educated and better-organized urban group. Like two football teams they are lined up on the field of battle. One team is thoroughly organized: it gives instantaneous response to a highly skilled leader; its members are intelligent; they have been thoroughly schooled in all the arts of playing the game. The other team is unorganized: it cannot follow leadership; its members lack intelligent understanding of the game; they are unschooled in the arts of play. We know

the result of the game from the beginning. One team has education, organization, and power; it will win. The other team has no education, organization, or power; it must lose. And

SOMEBODY OUGHT TO HELP THE BOY WITH HIS PROBLEMS!
SECRETARY JARDINE
THE FARMER
BORAH
FARM PROBLEM
HOW TO HANDLE IT
I GOT THE ANSWER TO A PROBLEM JUST LIKE THAT ONCE BY SIMPLE ORGANIZATION
FARM BLOC
MOH

THE FARM BOY'S PROBLEM
Ding, in the *Des Moines Register*

so it is in the great battle of business: the urban groups have better education, better organization, and greater power; they win. The farm group has less education, less organization, and less power; they lose.

Urban life has better education because it has better schools. Better education makes possible better organization. Better organization gives greater power. Greater power in turn makes possible still better schools. So the urban groups climb steadily upward.

Rural life has poorer education because it has poorer schools. Lack of education means lack of organization. Lack of organization means lack of power. Lack of power means in turn still poorer schools. So the farm group goes steadily downward.

We have seen that the conditions of urban life make the task of organizing the people to play the great game of business an easy one. To put the comparison in another way, we have seen that the conditions of rural life make the task of organizing the farm people to play the great game of business a very difficult one. The urban people have the easy task and the best schools to prepare them for the task; the rural people have the hard task and the poorest schools to prepare them for their task. Is there not real significance in the fact that the group of our people which is in the greatest economic distress today is the very same group of people which for the past generation has had the poorest schools? It is a tragic handicap now in the great battle of life to have the hardest task and the poorest schools.

If the rural people are ever to win in the great game of life as it is played in the twentieth century, they must begin by bringing their schools up on a par with the schools of urban communities. In fact, since they have the more difficult task to accomplish, the farm people must make their schools even better than the urban people have made theirs. The farm group must be the best-educated group of common people in America if they are to overcome the handicap of rural conditions and win in the great game of life.

Now what are the facts concerning the rural schools of today?

A member of President Wilson's cabinet declared that the rural schools are a nation-wide failure and a national disgrace.

No one challenged the statement. A well-known authority on rural life recently characterized the rural school as a "mired wheel." A careful observer calls it "the dying rural school." A thorough student of American schools describes the rural school as "a little schoolhouse on a little piece of ground where a little teacher teaches little children little things in a little way." These statements accurately characterized the rural school as it is found in thousands of rural communities today.

DOWN THE HILL IN THE OLD RURAL SCHOOL

These sixteen-year-old girls have only reached the third grade, as they have but two and one-half months of school each year with a teacher who has had no preparation herself above the rural school. Compare with the progress made by the boys on the opposite page

There is a sharp contrast indeed between the schools of the farm group — the group which is losing out in the battle of life — and the schools of the urban group — the group which is winning the battle.

The schools of the urban group give the children twelve years of educational opportunity; the old rural schools give only eight years. The urban schools give nine months or more a year; many of the old rural schools give only six or seven. The attendance in the rural schools has been notoriously poor. The chance for preparation for the game of life measured in months is twice as good in the urban schools as in the old rural schools. The youth of the farms have the hardest task and the poorest schools to prepare them for the task.

The urban communities have developed high schools — four years of preparation beyond the elementary grades. The old

rural school is already overworked. It cannot even do the elementary-grade work well. Four years of high school is impossible. And yet it is the high school that counts most today. It is in the high school that education really begins to function in playing the game of life. The subjects taught in the elementary grades have no value in themselves. They have value only as they function in playing the game. The urban high school holds the pupil in school after he has reached the age of mental development necessary to comprehend the economic, social, and civic principles involved in playing the game successfully. It focuses his attention upon these fundamental principles, and it encourages the more capable youth to go on to college to prepare for more intelligent leadership of organized business and the organized professions. The old rural school does nothing for the farm youth after he has reached the age of mental maturity necessary to comprehend the economic, social, and civic principles involved in playing the game of coöperative farm life successfully. For the farm youth of high-school age who needs to be prepared for intelligent participation in coöperative agriculture it is doing nothing comparable to what the urban high school is doing for the urban youth to get him ready for intelligent participation in organized industry and the organized professions. The untrained farm youth must compete with the trained city

UP THE HILL IN THE URBAN SCHOOL

These seven-year-old boys have already reached the third grade in the excellent schools of the town in which they live. They go to school eight months each year to a strong, well-prepared teacher. They live in the same county with the girls shown on the opposite page

youth. He has the hard task — the hard task and the poorest schools. He needs schools adequate to his task.

It is true that a considerable number of farm youths are now attending high school. The majority of these, however, do not take their trained minds back to the farm to give more intelligent direction to the affairs of agriculture. Instead they go over and join the better-educated and better-organized groups in the other great industries and in the professions. A recent visitor to the farm of the most famous farmer of Nebraska found there the photograph of four intelligent sons. But only the photograph remained; all four are educated and have gone from the farm into business and into the professions. One heads the largest organized salt business in a great American city. It is a serious matter when the better-educated and more intelligent go from the farms. It becomes doubly serious when these better-educated and more intelligent farm youth go over and join the other team and play against their own fellows. The game grows more and more one-sided. The best-educated and the most intelligent farm youth will continue to leave the farm and go over to the better-organized groups until the farm group is sufficiently well organized to bring its bargaining power and its standard of living up on a parity with those of urban life. This is a desperately hard task for the uneducated farm group. There is real tragedy in the hardest task and the poorest tools.

The youth who are to remain on the farm may well give heed to the fact that they have to face the hardest task. They must play an uphill game. Their opponents are highly organized and trained. Before the farm youth can hope to win they must be even better organized and better trained than their opponents. The farm youth face a task of tremendous difficulty: the task of bringing the buying power of the farm up on a level with the buying power of the organized industries; the task of maintaining the standard of intelligence on the farm; the task of sticking together in successful coöperative enterprises; the

task of making as efficient use of the tariff as do the other industries; the task of controlling the surplus of farm products; the task of setting up a successful business machine operated from the bottom up by farmer members; the task of making efficient use of the credit resources of the nation; the task of providing highly skilled managers for their business machines; the task of making themselves the owners of the land they cultivate; the task of maintaining the fertility of the soil; and the task of caring for the tax load. The youth who will enter the organized urban industries and professions have a comparatively easy task compared with this, but they are drilling away in high school preparing to win the game. The youth who remain on the farms to face the desperately hard task are not drilling in high school to win the game. They are not drilling at all! Is it any wonder they lose out in the great game of life? Is it any wonder that rural life is succumbing to urban life? Is it any wonder that the farm group is slipping down toward peasantry? Real tragedy has come to the farm youth — the hardest task and the poorest schools.

The urban schools gather the children together in large groups. They learn to play together, to sing together, to study together, and finally to work together. The rural schools gather the children together in small groups. There is little opportunity to sing with others, to play with others, to study with others, or to learn to work with others. A farm youth working for a neighbor was so ill at ease with others that he stayed in the barn with the horses instead of going to the house to eat his dinner at noon. Farm youth must learn to work together if they are ever to be able to stick together in big efficient coöperative organizations; they cannot learn it in little schools of a half-dozen pupils. In the urban communities the members of Rotary clubs, Kiwanis clubs, Lions clubs, professional clubs, business clubs, and women's clubs get together often. They continue the habits they formed in school. They sing together, play together, study together, boost together,

and more effectively work together. The farmers offer a very sharp contrast. They learned no such habits in school. They seldom get together. Their efforts to sing together, to play together, to study together, to boost together, and to work together are often pitiful. A circus advertises over a side show, "Pay 25 cents and see something you never saw before — three farmers pulling together." The urban youth has the easier life task and the better schools to prepare him for this task. The farm youth has the hardest task and the poorest schools.

One important reason that the city schools are the best is that they employ the best teachers. The urban people fill their schools with the best teachers; the rural schools take those that are left — the poorest teachers. The urban people comprehend the advantage of employing the best teachers. They know that ill-prepared and inexperienced teachers cannot teach and train the youth in the things that they must know and do to win the great game. The rural people do not understand the advantage of well-prepared and experienced teachers. They do not yet comprehend the tremendously difficult task which their youth must master if they are to win. They do not see that the problem is too big for ill-prepared and inexperienced teachers. They are content to let the towns and cities take the best teachers away from them as soon as they have practiced on the rural children long enough to develop skill; they are content to keep in the rural schools the teachers who are so inefficient that the city schools will not have them. They say, "Oh, she is good enough to teach little things to a few little kids." A good teacher is the most important factor in making a good school. Without a good teacher all other factors, no matter how good they are, will fail to make a good school. The best teachers make the best schools; the poorest teachers make the poorest schools. The rural youth with the hardest life problem to solve have the poorest teachers to prepare them to solve it. Is it any wonder they are losing the game?

The urban communities are providing their children with the very best schoolhouses and equipment. "Million dollar" school buildings which are the last word in convenience, sanitation, and equipment are now very common in the cities. In sharp contrast to these are the thousands of dilapidated and neglected rural schoolhouses, insanitary and almost bare of equipment, to be found in many sections of the United States. In a certain thriving little city is a four-million-dollar schoolhouse; in a rural district not many miles away is a shack of a schoolhouse worth less than a hundred dollars. In many cases the rural schoolhouses stand like ragged beggars beside the country roads. They grow more forlorn and beggarly each year. A visitor entering one of them not long ago saw on the floor a heap of broken plaster that had recently fallen from the wall. The children were walking through the plaster and tracking it about the room. Unsightly patches of bare lath showed where other sections of plaster had fallen. The teacher said: "When the plaster began to fall, I cleaned it up and asked the directors to fix up this old shell and replaster it. They wouldn't do it. So now I just let the children walk through the plaster where it falls!" It is scarcely necessary to add that the equipment in this rural school was as poor as the schoolhouse. A good schoolhouse and good equipment aid a good teacher and a good curriculum in making a good school; a poor schoolhouse and poor equipment, together with a poor teacher and a poor curriculum, make the poorest kind of school. The urban youth has the best teacher, the best curriculum, the best equipment, and the best schoolhouse to prepare him for the easiest task; the farm youth has the poorest teacher, the poorest curriculum, the poorest equipment, and the poorest schoolhouse. He has the desperately hard life task. Is it any wonder that he is losing out in the game against better-educated and better-organized urban life? Is it any wonder that farm life is slipping toward peasantry?

A visitor recently found the rural school in a certain farming region to consist of a little shack with two windows, one on

each side. Save for some rough benches, the room was bare. A little square of slated cloth served for a blackboard, and there were an eraser and a few pieces of chalk; this completed the equipment for teaching. The teacher was a young girl without experience. She had had no education beyond the very meager course offered by the rural school itself. Two months each year — only two months out of the twelve — was the school in session. Children sixteen years of age were in the third grade; they had had no more months of schooling than children in the city schools who are only eight years old. In answer to inquiries concerning the school the people said, "We get so little for the crops we raise that we can't pay for any better school for our children." The visitor looked in on the schools of several agricultural counties in another state. He found only one high school to the entire county, and that a poorly equipped and poorly taught one. In reply to his inquiries the people gave the same reply, "We get so little for our crops that we can't provide better schools for our children."

A DYING RURAL SCHOOL

Then the visitor went to a well-known city. He saw the most modern, sanitary, and convenient school buildings — beautiful, inspiring buildings — provided with the latest and best equipment for teaching. He saw a perfect feast of good things set before the pupils in a curriculum that was extremely rich and varied. He saw ten thousand high-school students in a single splendid new building. They were drilling away on the things that will enable them to play the game more effectively. He found that all the youth of the city are offered four years of

high school above the excellent elementary schools, with night school, vacation school, and part-time school in addition. He found that the young people in these high schools were making effective use of those years of their lives when nature meant that they should be studying and learning. In the years when nature meant that they should be coming into an intelligent, enlightened, thinking manhood and womanhood, they are studying those subjects which will fit them to play the great game of organized group life most effectively. But most important of all in this scheme for building up an intelligent, enlightened, powerful city civilization was the excellent force of teachers that the visitor found. This city has brought into its schools the very cream of the teachers of the land. Thorough preparation for teaching those things which a modern civilization needs to know, successful experience, and rare personality were all centered there. The contrast with the schools of the rural communities visited a short time before was so striking that the visitor could not help inquiring, "How do you do it?" The people replied: "Our big organized industries bring into this city and put into circulation among the people the money with which we support these schools for our children. Effectively organized big business enables us to support good schools; good schools, in turn, enable us to develop still more effectively organized business."

The visitor saw in the cases cited above the opposite extremes of public schools in America. But they point the way we are moving. We are putting the schools of urban communities on one plane and the schools of the rural communities on a lower plane. So gradually and almost imperceptibly has the gulf widened between the better city schools and the rural schools that we have come to accept it as a matter of fact that good schools are for the towns and cities, poor schools are for the country. Suppose that a good fairy should wave her wand and interchange the schools which the visitor saw in the country for those which he saw in the city. Think of

the amazement and consternation that would fill the minds of the city people when they found those rural schools were for their children! Think of the indignation that would burst forth when the city people were told that if their children wanted high-school privileges they might go out in the country and attend some of the excellent high schools operated by the farmers! Do we really believe in equality of educational opportunity in America? Do we honestly believe that the schools should be opened on equal terms to all the children of the state?

How has it come about that the American people are developing the best schools for the children of the cities and the poorest schools for the children of the country? Why are the urban youth with the easier task given the better schools to prepare them for that task? Why are the rural youth with the desperately hard task given the poorer schools to prepare them for this task? The history of the development of schools in America throws some light on this important question.

In the early period of our history educational opportunities were fairly equally distributed. The country schools were about as good as the city schools. Both were well attended by boys and girls, large and small, studying a simple curriculum of "reading, 'riting, and 'rithmetic." Seven district schools of the one-teacher, ungraded kind provided the educational facilities for the children of Buffalo until it had become a city of fifteen thousand inhabitants in 1837. Eight one-teacher, ungraded district schools served Chicago as late as 1844. The rural schools of that time kept pace reasonably well with the similar one-teacher, ungraded schools of the towns and cities.

A movement was getting under way in the cities, however, which was destined to improve greatly the schools provided for the training of the urban youth. Many influences contributed to this end. One of the foremost of these was the attitude taken by organized labor. It is significant that as early as 1829 various industrial groups in American cities began to understand the importance of education to the welfare of their

groups and to ask for the expenditure of more money for the purpose of providing better schools for their children. The mechanics and workingmen of New York City in that year declared: "Next to life and liberty we consider education the greatest blessing bestowed upon mankind. The public funds should be appropriated (to a reasonable extent) to the purpose of education upon a regular system that shall insure the opportunity to every individual of obtaining a competent education before he shall have arrived at the age of maturity."

The workingmen's party of Philadelphia in 1830 said, "The time has arrived when it becomes the paramount duty of every friend to the happiness and freedom of man to promote a system of education that shall embrace equally all the children of the state of every rank and condition." Organized labor from this early beginning has continuously supported the cause of better schools in the cities. As labor organizations have grown in power their influence in improving the schools has greatly increased.

Not only has organized labor brought great influence to bear in improving the schools of urban communities, but organized capital and the organized professions have done likewise. For several generations past these groups have recognized that better education made possible better organization of the group, that better organization of the group meant greater power. Organized capital and the organized professions joined with organized labor in demanding better and still better schools for the youth of the urban communities. The urban youth were drilled more and more carefully to win the great game.

In the cities organized capital increased in wealth and power; organized labor increased in numbers and in power; population increased; taxing power increased; and increasing recognition of the importance of education led to constant improvement in the schools. The initial step in the improvement of city schools was in each case the consolidation of the one-

teacher, ungraded schools scattered about the city into a centralized city school system. Graded schools were then organized, four years of high school above the eight elementary grades were added, the best teachers were employed, trained supervision was provided, better buildings and equipment were the order of the day, the curriculum was expanded and enriched to meet the needs of a rapidly developing civilization, and adequate financial support was provided for these improvements.

While the organized groups of the cities were thus setting out on a program of continuous improvements in the city schools, the farmers were making little progress with the rural schools. There were several reasons for this slow progress. Rich virgin farm land was plentiful, and the Federal government was giving it away. The ignorant man was on an equal basis with the college graduate in securing a good farm. Most of the family's living could be taken from the farm. Farmers as yet felt no pressing need to develop their bargaining power through group marketing; hence they did not feel the necessity of better education to prepare them for better organization. They saw little need for better schools; they thought of schools as the largest item in their taxes. As taxes increased and the earnings of the farm decreased, they became more and more adverse to spending money for the improvement of their schools. They were indifferent toward education. They saw no reason why the farm youth should be as well schooled to play the game as the youth of the organized groups that were forming in the cities to play against them.

Many farmers did not comprehend what was going on in the cities. They did not realize that the rapidly growing organized groups were drilling their youth in better and better schools in order to win the great game. They did not see that the farmers themselves, unschooled and unorganized as they were, would presently have to meet these highly schooled and organized groups in the great game of life. Not seeing this, and fearing

the burden of school taxes, many farmers were openly hostile to the improvement of schools in the rural communities. An old-time New England farmer declared, "The Bible and figgers is all that I want my boy to know." Henry Barnard tells that a Rhode Island farmer threatened to kill him if he ever caught him on his farm advocating "such heresy as the partial confiscation of one man's property to educate another man's child." In 1837 a farmer member of the legislature in the agricultural state of Indiana boldly advertised the fact that he wished to have engraved on his tombstone "Here lies an enemy to free schools." When the state of New York held a referendum in 1850 on the question Shall the property of the state educate the children of the state? the seventeen counties dominated by cities voted in favor of the measure, and the forty-two counties dominated by the farmers voted against it.

When it was proposed to improve the schools of a rural community of the Middle West by the means which had so greatly improved city schools (namely, consolidation of the one-teacher schools into a graded school system having a high school and employing more capable teachers), a good farm woman protested, "It will never do to give our children a school like that; they will get so smart they won't want to work at all." A farmer said to his progressive neighbors in Iowa who proposed to consolidate their one-teacher rural schools and develop modern school facilities: "We are getting along all right with our little district schools. All we need is to be let alone. If you vote to consolidate the schools, I'll burn your buildings and shoot your stock!" Another farmer, in the great wheat belt, when approached with the suggestion that through the consolidation of the rural schools in his community the educational opportunity of his children might be greatly improved, said indignantly: "We farmers don't need no more education. The trouble is we have let city people get too much of it already!"

Often we hear it said that rural schools are better than they used to be. Yes, when you compare them with their own past;

no, when you compare them with the schools of the thoroughly organized urban groups with whom the rural people must play the great game. The oxcart was a decided advance compared with the wheelbarrow; compared with the motor truck it is hopelessly behind.

The whole people now realize that changing conditions have put the farmer in a bad position. He faces a thoroughly schooled and thoroughly organized opponent. He lacks schooling and organization himself. To make matters worse, there is disagreement and misunderstanding in his own camp. Some farmers pull one way; some pull another. In the darkness of ignorance they fight each other and slip farther into the ditch.

The farmer is often his own worst enemy. In recent times farmers have been so overwhelmed and discouraged by the vast and baffling difficulties which confront rural life that in many cases they have lost faith in a constructive program of self-help. They have lost the will to win through educating their own group and developing its innate powers to help itself. The farmer is on the retreat. He clamors for political panaceas. He robs the school to reduce taxes. He stumbles in darkness. He slips farther into the ditch.

In conclusion let us note conditions in rural Denmark as compared with those in rural America.

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|---|---|---|---|---|---|
| Rural Denmark | → Excellent schools | → Coöperative agriculture | → POWER | → | Increasing land-ownership<br>Prosperity on the farm<br>Leadership in national affairs |
| Rural America | → Poorest schools | → As yet little coöperation | → WEAKNESS | → | Decreasing land-ownership<br>Lack of prosperity<br>Little leadership in national affairs |

The rural people of Denmark, like the city people of America, began their rise to prosperity and power through good schools.

Better education made better organization possible; better organization brought power; power brought prosperity and leadership.

Farmers of America, the challenge to you is to wake up and gird yourselves for battle. The call to you is to stand up and be men among men, business men among business men, statesmen among statesmen. Your opponents are organizing; they are schooling their youth to win the great game. They have made great progress. Will you continue to let them out-think you? Will you continue to send the youth of the farm into the fight under the hopeless handicap of the hardest task and the poorest schools?

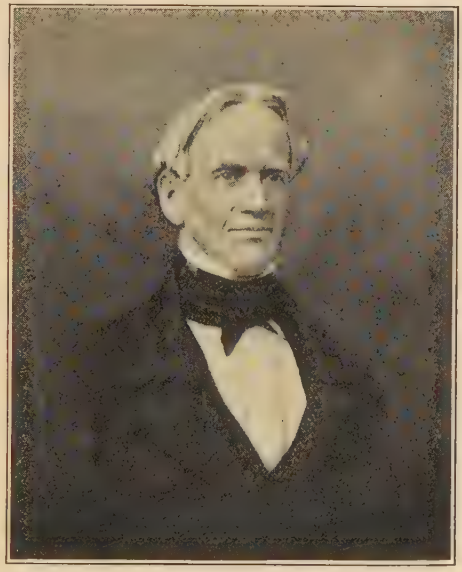
# CHAPTER XV

## HORACE MANN AND THE BATTLE FOR BETTER SCHOOLS

Rural America has a great task to accomplish through her schools. The rural people are not yet awake to this fact. They are not yet aroused to its real significance. They do not comprehend the inevitable outcome when a highly organized and carefully schooled team plays against an unorganized and unschooled team. They do not know how fully organized, how thoroughly schooled for the game, how intelligently led, is the urban group. They do not understand how lacking in effective organization, how lacking in effective schooling for the game, how lacking in leadership, is the farm group. Now that free land is gone, now that the virgin fertility of the soil is exhausted and the farm must maintain itself as a business on the same basis as other lines of business, agriculture decays. Rural life declines. Peasantry creeps upon the farm people unawares. The farm group, asleep, slips steadily down toward that economic servitude which many believe must be its inevitable end. It is the task of educational leadership to arouse the farm people thoroughly to the danger of this situation. It is the task of educational leadership to arouse the nation to the danger of its situation when it permits agriculture to decay. Rural America needs leadership — educational leadership of vision and power such as Horace Mann gave in the crisis of his day.

When the farm people of America are fully aroused they will comprehend how vital is thorough schooling for the game. They will realize that the unorganized, untrained team faces sure defeat when it must meet a highly organized and thoroughly trained team. They will see that the urban team is

being better and better organized and more thoroughly drilled to play the game. They will grasp the fact that they are not organized nor drilling at all. When they once recognize this fact they will have a new and dominant purpose to achieve through their schools. They will catch the vision and get behind their schools and make them second to none in the land.



HORACE MANN — THE JOHN THE BAPTIST OF THE CONSOLIDATED SCHOOL MOVEMENT

The schools of rural Denmark did not become the outstanding rural-life schools of the world until the farmers of Denmark had first conceived a vital and dominant purpose to be accomplished through those schools. That purpose was the development of a coöperative agriculture with power to lift itself out of serfdom to the most useful and prosperous and honored position in the realm. When the American farmers definitely set out to check the coming of farm peasantry, when they really determine to lift the bargaining power and the standard of living of the farm up on a parity with the bargaining power and the standard of living of urban groups, when they purpose in their hearts to develop a coöperative agriculture with power to rise out of decline into the most useful and prosperous and honored position in the land, then will they begin to support their schools in a way they have never done before. They will see in them the instrument of salva-

tion. They will develop them to their utmost efficiency. They will give their youth the best schools to prepare them for the hardest task.

All this calls for educational leadership of unusual ability and power. It calls for that educational leadership now, before it is too late. The longer the farm group continues to slip toward economic servitude, the harder will be the climb back up the hill; the longer it continues to lose its best brains from the farm, the lower the group will be in intelligence, and the more difficult it will be to develop increased power through education and organization. The rural group has reached an educational crisis. They need a Horace Mann now.

The battle which Horace Mann led for better schools for the common people in the educational crisis of his time was so skillfully conducted that it is still the outstanding example of educational leadership in America. His vision was so large, his purpose so sincere, his methods so effective, that they had a profound effect in improving the educational conditions of his time through the development of better schools. These improvements in the schools were not brought about, however, without a continuous and bitterly fought battle with the forces that oppose the better enlightenment of the people. The same forces that opposed the program of Horace Mann for a better-educated citizenry for Massachusetts now oppose the program for a better-educated farm group for America. Because the same means which he employed is still the most effective means of overcoming such opposition, and because the lessons of the past are valuable in guiding the people in their efforts to improve their future, a brief historical sketch of Horace Mann and his battle for better schools is given in this chapter.

The vision and sincerity of Horace Mann, his zeal for improving the conditions of the needy, and his skill and earnestness in waging battle for their cause arose directly out of what he was. What he was, no doubt, was greatly affected by his inheritance and by his early experience.

**Mann's boyhood on the farm.** Horace Mann was born on a farm near Franklin, Massachusetts, during George Washington's second administration (1796). His parents were plain people of intellectual and moral worth. During the winter months the boy attended a miserably poor rural school. His childhood and youth were passed in poverty and in such unusually hard and incessant labor on the farm as to impair his health for life. He could not remember when he began to work, and he testifies that he never knew a single play day. Necessity was his stern taskmaster. He received, out of the uphill battles which he fought against poverty in youth, a vigorous discipline that prepared him for the many battles he was to fight against heavy odds later in life.

**His passion for education.** At night after a hard day's work this country boy, with an irrepressible spirit and a passion for education, pored over books. He loved books so much that he said he could not bear to stick a pin through a leaf. He found many treasures in the little library which Benjamin Franklin had established in the neighboring village of Franklin. As a boy in the rural school he chafed at the slow progress made under the method then in vogue, which consisted of memorizing the text. As a teacher, Horace Mann resolved to improve upon this method. He stimulated his pupils to think for themselves. His enthusiasm inspired his pupils to unusual efforts. He was very thorough and, while teaching, continued his own studies. He felt a particular need for a knowledge of science but had no means at that time for studying it.

**A sound basis of experience gained from hard labor.** Horace Mann gained from his hard labor on the farm and from his earnest efforts later in life a very clear understanding of the value of hard work and of the value of education as a preparation for successful endeavor. Probably there is no better exposition of the value of education as a preparation for meeting successfully the common economic, civic, and moral responsibilities of life than is found in his twelve educational reports.

His first-hand knowledge of the deplorable conditions in the rural schools was of inestimable value to him in preparing him for the great battles he led for the improvement of schools in Massachusetts.

**College student, lawyer, statesman.** The successful results of Mann's hard work as a student at Brown University attracted general attention and admiration. His fellow students realized that he was to become one of the great men of the time. He stood at the head of his class throughout his college course and graduated with highest honors in 1819. He turned his attention to law, which in those days offered the largest opportunity for the making of brilliant careers. After reading law at Litchfield, Connecticut, and at Dedham, Massachusetts, he was admitted to the bar in 1823 and practiced law with great success for fourteen years, winning four out of every five cases which he accepted. Like Abraham Lincoln, he was concerned with representing right and justice. He would not accept a case which he felt would require him to champion the wrong. His constituents sent this brilliant young lawyer to represent them in the lower house of the state legislature of Massachusetts in 1827. They elected him to the state senate in 1833, where he soon rose to be president of that body.

**Mann the champion of better schools.** In 1837, when he had become famous as a lawyer and had achieved unusual distinction as president of the state senate, Mann deliberately turned his back on as promising a legal and political career as ever opened before a brilliant son of Massachusetts. Like Wendell Phillips he sacrificed the opportunity for preferment to give his life to the service of humanity. In Mann's day the school system of Massachusetts had fallen to a very low ebb of efficiency; it was hopelessly out of step with the spirit and the needs of the time. The general public was profoundly indifferent to the condition of the schools, and there was stolid opposition to any change. A bill was fought through the state legislature in 1837 creating a state board of education to revise

EVANGELICAL SCHOOL OF THEOLOGY


and reorganize the Massachusetts common-school system. The secretary of this board would be the active leader in the movement. There would be bitter opposition. The pay of the secretary was pitifully small. Horace Mann, who, as president of the senate, had been an able champion of the measure, was urged to become secretary of the board and attempt the difficult task of reorganizing the common schools of the state. He accepted.

**Influence of his mother.** In dedicating his life to the service of humanity Horace Mann seems to have been greatly influenced by the high ideals and high expectations of his mother. She believed that his life bore her destiny as well as his own. We may best judge from his own words of the earnest state of mind in which he approached the difficult problem of school rehabilitation. At the time that he was considering the acceptance of the office of secretary he wrote: "Having found the present generation composed of materials almost unmalleable, I am about transferring my efforts to the next. Men are cast iron; children are wax."

Those who have attempted to help farmers to better their conditions recognize the similarity of the situation now to that which confronted Horace Mann. Many men are indeed cast iron and resist all efforts toward improvement; usually the more ignorant they are, the more unyielding they are.

On accepting the leadership of the movement to improve the education of the common people of Massachusetts, Mann wrote:

> Henceforth so long as I hold this office, I devote myself to the supremest welfare of mankind upon earth — I have faith in the improvability of the race — in their accelerating improvability. This effort may do, apparently, but little. But mere beginning a good cause is never little. If we can get this vast wheel into any perceptible motion, we shall have accomplished much.

Horace Mann's faith in the improvability of the people through education is much needed in the farm group today if

that group is to be saved from decline both in their standard of intelligence and in their standard of living.

**Mann an ardent champion.** In a high spirit of service Horace Mann threw himself unreservedly into his difficult task. The unusual vigor he displayed in studying educational conditions, visiting schools, holding conferences, giving public addresses, writing educational reports, advocating needed legislation, preparing articles for his educational magazine, and writing personal letters urging school improvement, many times consumed his energies to the point of actual illness. His salary, which was so meager that it "often left him without money to buy his dinner," did not suffice to pay clerical help, and he sometimes wrote (in longhand) as many as fifty or sixty letters a day. Gradually success crowned the earnest and heroic efforts which he crowded into his twelve years of service as secretary (1837–1848). Under his direction the schools of Massachusetts took first rank.

There is need for more Horace Manns today among the farm group.

**City schools bad; rural schools worse.** Horace Mann found the town and city schools of Massachusetts bad and the schools of the little rural districts worse. In order to understand the situation better and to gain the most helpful lessons from his efforts to improve the schools of his time, let us review briefly the history of the development of common schools in Massachusetts and note the causes of the decline which had set in. As we are especially concerned in this volume with the development of the schools in rural and village communities, we will trace particularly the historical development of school organization in such communities.

**Early centralized communities.** Two hundred years before the time of Horace Mann the first colonists in Massachusetts had settled in villages. The houses were clustered about the meetinghouse, which was the center of religious and civic activity in these little religious republics. An early law provided

that no dwelling house might be more than half a mile from the meetinghouse. Soon the schoolhouse sprang up beside the meetinghouse, facing the village common. The school was the child of the church, and the schoolhouse, like the meetinghouse, was located in the center of the village.

The farm land round about this compact group of homes was tilled by the villagers. Because of the strong social cement in these early settlements and because of danger from Indians, isolated farmhouses were not built on the tilled land. The villager went back and forth to tend his crops much as he does in many parts of Europe today. The village, with its zone of farm land, was known as the town. This New England town usually included from twenty to thirty square miles of land, a little less than the congressional township of the Middle and Western states, of which it was the forerunner.

**Schools centralized.** The early schools in the colony of Massachusetts were, from the very conditions of life at that time, centralized schools. There were no children scattered in isolated farm homes to furnish a serious problem for the organizers of schools. The people lived in a compact central group, and the affairs of the school, like other affairs of the town, were centered in the church. This centralized administration proved vigorous and effective, and under it the schools prospered.

**Appearance of decentralizing influences.** Gradually, as the population of the villages increased, it became necessary for the villagers to till the land in the more remote parts of the town. As the danger from Indians lessened, the laws requiring all to live within half a mile of the meetinghouse were repealed or ignored, and settlements sprang up on the most remote lands. These new settlements introduced a new problem into school organization. Should the children from the remote settlements within the town be required to attend the central school in the main village of the town, or should schools be opened in each settlement for their convenience? The primitive roads of that

time were very poor. Travel between the central village and the outlying settlements of the town was difficult, oxcarts were very slow at best, and often during the deep snows of winter transportation between settlements became almost impossible.

**Beginning of division.** As the settlements spread over the new lands, the hard conditions of pioneer life tended to break down the unity of administration within the town. The new settlement, cut off by natural barriers from the central village, soon began to demand the right to organize church, school, and civic facilities of its own. The order in which these were secured seems to have been first the local parish, then the local district for improvement of roads, the local district for recruiting militia and raising taxes, and, finally, the local district for the maintenance of schools.

**Division of schools and their consequent decline.** The withdrawal of financial support and patronage from the central "town" school for the purpose of dividing it among several small schools reduced the vigor and effectiveness of all. For a time an effort was made to preserve the advantages of a centralized school administration by the "moving town school." As the name implies, this school was moved about during the year and was conducted in the central village and in each of the outlying parishes for the number of weeks corresponding to the amount of taxes for school purposes paid by each locality. Presently the "moving school" was abandoned, and the control of school affairs passed into the hands of the little local school districts. Then a marked decline in the effectiveness of the schools set in. The people gradually lost the old-time vigor they had displayed in the education of their children through the centralized town school.

**The little district a school for democracy.** We should note in passing that the division of school administration among the little districts, which proved so disastrous to the educational interests of the children, served one good purpose for a time. By the division of responsibilities among the local parishes and

school districts, undoubtedly more men participated in the activities and responsibilities of government than would have had the opportunity to do so under the more centralized administration. Thus each little local unit became a training school for democracy. The men of the community, by active participation in the affairs of their own church, civil, and school governments, were gaining a stock of experiences and developing ideals in common which proved of inestimable value later when the American colonists launched their experiment in democracy on a nation-wide scale. In those early years there was a need for local training of small groups in democracy. That need is now less pressing. Today the American farmer needs to think and act in terms of coöperation on a large scale.

**One hundred years of progress.** The first hundred years in the colony of Massachusetts brought an increase in the vigor and effectiveness of the schools; the second hundred years was marked by their steady decline. Some important events which contributed to the improvement of schools during the first century were the passage of the compulsory school law of 1642, the enactment in 1647 of a law recognizing elementary, secondary, and higher education, and the gradual transfer of the schools from the direction of the Church to the direction of the State. The schools were kept centralized, with a growing tendency to make them free. It was through these progressive steps during the first hundred years of her history that Massachusetts laid the foundation for the American common-school system.

**One hundred years of decline.** The decline in the schools of Massachusetts during the second hundred years followed the spread of the little school districts. This system of dividing school resources among little isolated districts was the fundamental cause of the decline. By 1750 the little-district system was in practical operation throughout Massachusetts, although it was not yet recognized by law. In 1789 an act was passed

recognizing the little district and giving it legal standing. This, as Horace Mann pointed out over and over again, "was the most unfortunate school law ever enacted in the state." It was a long step backward. Other backward steps followed. In 1817 the little districts were made school corporations. In 1827 they gained the power to choose a committeeman who could contract with teachers. The schools of Massachusetts, after a century of retrogression, were now nearing the bottom of the hill. Hinsdale enumerates the results of this crumbling of the school system into little districts as follows: "Contentions, school politics, irresponsibility, favoritism, small ideas, wastefulness, small schools, short terms, low ideals, lack of oversight, poor teachers, and poor teaching."

The chief difficulties in the way of developing better schools in rural communities today for the better education of the farm group grow out of the same little-district system which had brought the schools of Massachusetts to the bottom of the hill in Horace Mann's time.

**Division of school resources between public and private schools.** In addition to the harmful division of educational resources among the little districts, Horace Mann had to combat their further division between public and private schools. The weakness of the public schools caused private schools (usually called academies) to spring up for the service of those families who wished to secure for their children better educational facilities than the public schools offered. Thus the pupils and the financial support which had previously been centered in the upbuilding of the public schools were divided between the public and private schools, greatly weakening the public schools and introducing repugnant class distinctions between those who could afford to attend private schools and those who could not.

Speaking of the disastrous conditions which resulted from the division of the strong centralized public schools of early Massachusetts, Hinsdale says:

No community can emphasize two competing systems of education. Along with the academies a class of schools more distinctly private and commonly of an inferior grade sprang up. What might have been anticipated followed: people who were able to pay for the schooling of their children sent them to the academies and private schools, while those who were not able sent theirs to the public schools. So the schools taken together contributed to build up an odious class distinction that the old Puritans never would have brooked on Massachusetts soil.

The tendency to divide the educational resources of the community between the public and private schools still exists in many communities in America. It is particularly disastrous in rural communities, because in such communities the number of children and the productive power of the people within the area conveniently served by one school are very limited. To divide these resources weakens the educational facilities for both. Experience has shown that Horace Mann was right in his contention that the most effective means of providing better educational facilities for the children of a rural community and of equalizing their opportunities is to unite all the children and all the productive power of the people over a convenient area in one good school.

**Difficulties which confronted Horace Mann.** We have seen that for the first hundred years the schools of Massachusetts improved slowly under a policy of centralization, and that for the second hundred years they degenerated under a policy of decentralization. At this point Horace Mann appeared on the scene. He began his duties as secretary of the board of education of the state of Massachusetts in 1837. When he was called to leadership, the public-school system of Massachusetts was at the bottom of the hill, after a hundred years of retrogression from many causes, the chief of which were the following:

1. The division of the educational forces of the state among many little, weak, isolated, local school districts.

2. The further division of the weakened educational forces of the people between the public schools and the many private schools which sprang up as the public schools became weakened by excessive division.

3. The division of the people educationally into classes: those who could afford to educate their children in the private schools at their own expense and those who must depend for the education of their children upon the public schools at public expense. Under these conditions the public schools soon came to be looked upon as "pauper schools." The very schools were dividing the young citizens of the state into classes, an ominous thing in a democracy.

At the present time in the United States it is the schools of the rural communities which still suffer from division into little, weak districts and which suffer most from division between public and parochial schools. The schools of the urban communities have all been organized into strong centralized systems. These suffer less from division with parochial and private schools. The division of the people educationally into classes follows largely the line of cleavage between the good schools provided for urban communities and the poor schools still provided for many rural communities.

**Mann's attack vigorous.** When Horace Mann had determined the cause of the weakness in the schools of his time, he launched a vigorous attack upon the evils enumerated above. He said in one of his reports: "The great doctrine which it is desirable to maintain and to carry out is equality of school privileges for all the children of the town, whether they belong to a poor district or a rich one, a small district or a large one." Here Mann states the principle of equality of educational opportunity which must be rigorously applied today if we are to have an educated farm group in America.

In another report he castigated the wealthy class who educated their own children in private schools but refused financial assistance to the public schools, as follows:

Were a ship in mid-ocean to be overtaken by a storm, to be dismantled, dismasted, and reduced to an ungovernable hulk, and while its crew were famishing and in momentary danger of foundering, were another ship to pass within hail, but to refuse all succor and deliverance, should we not justly regard the deed as an enormous atrocity? Now it is the children of the man who has not the means fully and thoroughly to educate them for the duties of life, who represent this perishing crew; and the man who has means but refuses to aid in giving these children an education sufficient for all the responsibilities of life — he is the hardened mariner who sails recklessly by and sees the helpless sufferers engulfed in the wake of his own proud vessel.

Here Mann points out a basic principle of school support in a democracy which must be much more effectively applied than it is at present if the inequalities in educational opportunity which exist now between urban and rural communities are to be equalized and the keepers of the land are to be effectively educated for their important task.

**Opposition to improvements in school system.** Bitter opposition to the improvements in the public-school system which were proposed by Horace Mann soon developed. This opposition fortified itself behind the supreme indifference to the welfare of the schools which settled down over the people after they had divided their school forces among the little districts. The people did not comprehend the value of education in the practical affairs of life. In addition to general indifference toward education, much opposition came from those who wished to reap personal gain from the weakness of the public schools, from the owners of private schools who wished to build up their own schools, from religious denominations who wished to develop their own parochial schools, and from men of wealth who did not wish to contribute an increased amount for the better education of the children of the community. The latter group is one of the chief obstacles which today prevents the schools of rural communities from being brought up

on a par with the schools of urban communities to provide an educated farm group for America.

*Groups that opposed Mann's policies.* Grouped on the basis of their chief reasons for opposing the program which Horace Mann proposed for better schools for the common people, the parties we find on that side are the following:

1. Schoolmasters who lacked vision and said his proposals were new, hence wrong.

2. Clergymen (and the congregations controlled by them) who feared that strong public schools would weaken the parochial schools and lessen denominational control.

3. The old aristocratic class, who believed in class privileges and distinctions and did not wish the common people to have education more nearly equal to theirs.

4. Petty officers in the little school districts, who declared that Mann's plan of centralization would rob them of their birthright of self-government.

5. Those farmers who believed that education was of no value to tillers of the soil.

6. Large taxpayers who did not wish to give increased support for the purpose of promoting the general welfare through the better education of the common people.

7. Politicians who sought to make political capital of the fear of change and the fear of increased taxes that obsessed the people.

8. The conservative and narrow-minded.

9. Many of the common people, particularly in rural districts, who because of the lack of information had not yet caught the vision of Mann's purposes and what their accomplishment would mean in promoting their own welfare and the welfare of all the people.

*Groups that supported Mann's policies*:

1. Public-spirited individuals.

2. Political leaders of large vision.

3. Educated people in the towns and cities.

4. Intelligent workingmen in the cities.

5. Those farmers who wished their children to have better educational advantages than they themselves had had.

For comparison let us note those groups which now tend to oppose and those groups which now tend to favor the development of better schools in rural communities through providing graded elementary and high schools, better teachers, better supervision, better curriculums, longer terms, better buildings, equipment, and sanitation, better enthusiasm for education, better financial support, and better training in community cooperation; in short, better educational preparation for an organized and powerful farm group.

*Groups now opposed to better schools in rural communities*:

1. Such farmers as still believe that education is of no value to tillers of the soil.

2. Many of the people living in rural districts who, because of lack of information, have not yet understood the urgent reason for the better education and the better organization of the farm group and what this would mean to their own welfare and to the welfare of the whole people.

3. Absentee landlords, representing the old aristocratic class, who believe that the children of tenants should not have as good educational advantages as their own.

4. Large landowners who do not wish to pay increased taxes to promote the better education of the farm group.

5. Politicians who seek to make capital out of the fear of change and the fear of increased taxes that are found among the people.

6. Clergymen (and the congregations controlled by them) who fear that strong public schools in rural communities would reduce the possibilities of parochial schools and lessen denominational control.

7. The conservative and narrow-minded.

8. School officers of little rural districts who fear loss of official position and prestige.

9. Rural school-teachers of small preparation who fear that they would not be qualified to hold positions in the better schools.

10. Those persons who fear that better education, better organization, and better control over the marketing of farm products would give the farm group too much power.

*Groups now in favor of better schools in rural communities:*

1. Those farm people who see that if the farm group is to escape the threatened decline into peasantry and to maintain its standard of living and its standard of intelligence on a parity with the standard of living and the standard of intelligence of urban groups, it must be better educated and better organized.

2. Political leaders of large vision.

3. Public-spirited citizens.

4. Educated people and intelligent workmen in the cities, who see that it is to their own advantage and that it strengthens the nation as a whole to have an educated, intelligent, productive group as keepers of the land.

**A comparison of then and now.** A careful comparison will show that the groups which were for or against the better education of the common people in Horace Mann's time were very similar to the groups which are now for or against the proposal to bring the educational facilities of the farm communities up on a par with the educational facilities of urban communities. There is this new point of view: the evolution of economic life in America has proceeded a long way since the time of Horace Mann, and the need for better education and better organization of the farm group that it may hold its own with the better-educated and better-organized urban group now enters into the consideration of the question by every thoughtful citizen.

**Methods used by the opponents of Mann's program.** Returning to the study of Horace Mann as an educational leader, let us notice first the methods used by his opponents to defeat his program of better education for the common people. Inas-

much as the opposition included many of the wealthy and aristocratic class as well as leaders in various religious denominations, their combined influence was brought to bear to defeat his policies in the legislature and through the courts. Office-seeking politicians frightened tax-fearing farmers with his educational policies for the purpose of garnering votes for themselves. Ministers attacked him from the pulpit, and the newspapers controlled by his opponents made very bitter and continuous attacks on him.

**Indifference of the people.** The supreme indifference of the people toward their schools was the greatest obstacle to be overcome. It made the task of Horace Mann one that called for herculean labors. He wrote, "Ah me, I have hold of so large a mountain that there is much danger that I should break my own back in trying to lift it." After trying repeatedly to bring about some improvements in the schools of Berkshire County he said, "To make an impression here is like trying to batter down Gibraltar with my fist." But such difficulties only spurred him on to greater efforts. He wrote of the most difficult situation which he encountered in Barnstable County, "I will work in this moral and physical sand bank of a county until I get some new things to grow out of it."

By way of comparison then and now, it may be said that there are today many rural communities in the United States where the tendency toward economic and intellectual debasement has proceeded so far that the majority of the people are opposed to any attempt to improve the schools.

**A campaign of enlightenment.** In the face of the great opposition and the stolid indifference of the people, Horace Mann chose the most effective means known of advancing a cause that is sound and just — the enlightenment of the people. This method takes time, but it makes for soundness and satisfaction and permanence in the end. He laid down his guiding principles in these words: "Education can never be attained in a republic without the consent of the whole people." "All im-

provements in the school suppose and require a corresponding and simultaneous improvement in public sentiment."

**Reaching all the people.** Mann followed out these principles by carrying his campaign directly to the people. He visited schools throughout the state, held conferences, made addresses, published a school journal that set forth his program, wrote letters continuously to school officers and educational leaders, sent out trained teachers from the normal school as missionaries, and prepared each year an annual report to the state board of education which was in reality addressed to the people.

Cubberley says:

> Mr. Mann now began a most memorable work of educating public opinion, and soon became the acknowledged leader in school organization in the United States. State after state called upon him for advice and counsel, while his twelve annual Reports to the State Board of Education will always remain memorable documents. Public men of all classes — lawyers, clergymen, college professors, literary men, teachers — were laid under tribute and sent forth over the State explaining to the people the need for a reawakening of educational interest in Massachusetts. Every year Mr. Mann organized a "campaign." It resembled somewhat the recent national campaign to explain to our people the meaning and moral significance of our participation in the World War in Europe. So successful was he, and so ripe was the time for such a movement, that he not only started a great common school revival in Massachusetts which led to the regeneration of the schools there, but one which was felt and which influenced development in every Northern State.[1]

Turning to the present, we see that the time is now ripe for a great educational revival among the rural people of the United States. If there is to be an enlightened, competent farm group in America, which can maintain its standard of living and its

[1] E. P. Cubberley, Public Education in the United States. Houghton Mifflin Company, Boston. Reprinted by permission.

standard of intelligence and give the most effective service to the whole people as keepers of the land, this educational revival must come before the farm people have passed too far down the hill toward economic servitude and intellectual inferiority. It must undertake in earnest the gigantic task of bringing the educational facilities of the rural communities up on a level with the educational facilities of the urban communities. It must give such direction and such efficiency to the education of the farm group that they can play the great game of business successfully against educated and organized opponents.

This vast undertaking calls for able, devoted, self-sacrificing leadership like that given in his time by Horace Mann; it calls for leadership of vision, courage, persistence, and power; it calls for the same widespread and continuous campaigns to enlighten the people and to develop a public sentiment which will carry the needed improvement in rural education into effect. It should unite in a common effort for this purpose all the great farm organizations, all the coöperatives, the National Education Association, the educational associations of the various states, the state departments of public instruction, the county superintendents, and all the teachers who come in contact with the rural people.

The leadership must be virile and persistent. The campaigns of enlightenment must be continuous year after year until the work is thoroughly done. This is the most pressing and the most important educational task facing the American people today. If the battle is well fought, the decay of agriculture will be checked, the advance of farm peasantry will be stopped, and an intelligent and prosperous people will be maintained on American farms as a sound foundation on which to build an enduring nation.

# CHAPTER XVI

## ADEQUATE SCHOOLS FOR THE HARDER TASK

We have seen that rural people have a tremendously difficult task to accomplish. They must organize themselves and school themselves to play the great game of business. They must play it as effectively as the urban groups play it. The urban groups have a long lead on them, because they are already highly organized and splendidly schooled and skillfully led. The farm people are far behind in all of these.

We have seen that the farm people have the more difficult task to accomplish. We know that while it is comparatively easy for the members of the urban group to work together, it is tremendously difficult for farmers to stick together in large numbers over wide areas. We know that while it has been comparatively easy for the urban people to organize corporations managed from the top down which are highly efficient in business, it has been tremendously difficult for the farm people to organize coöperatives managed from the bottom up by farmer members which will be equally efficient in business. We know that while it has been comparatively easy for the great urban corporations to secure the very ablest business managers which America affords, it has been very difficult for farmers to secure equally able business managers. While it has been comparatively easy for the highly organized urban industries to make effective use of the tariff and to control the matter of surplus, it has been desperately hard for unorganized farmers to do it. While it has been comparatively easy for organized urban groups to make effective use of the credit resources of the nation, it has been very much more difficult for the farmers to do it. We know that it has been easy for the urban group

to shift an increasing proportion of the general-property tax to the farm group and that it has been exceedingly hard for the farmers to find any means of bringing this tax back into equitable balance.

We know that ignorance cannot solve the excessively difficult problems of the farm team. Ignorance cannot enable it to play the game as effectively as the highly organized and thoroughly

A MILK PLANT OPERATED BY A LARGE COÖPERATIVE ASSOCIATION IN NEW YORK STATE

From Mears and Tobriner's "Principles and Practices of Coöperative Marketing"

schooled and skillfully led urban team does it. The only hope is that education can. If education does not do it, the game is lost.

We have seen that the old rural schools are entirely inadequate to meet the situation. There was a time when the urban people had the same kind of schools. But these schools soon proved to be inadequate to meet their needs. The urban group then did with their schools exactly what they have since done with their business organizations. They employed the best brains to be found in the nation and put them in charge, with instructions to study the situation carefully and devise means

of developing the greatest possible efficiency. The results are known to all: a highly organized, thoroughly schooled, and skillfully led team.

The farm group will be wise if in this crisis they do with their schools what the urban group did with theirs.

1. They gathered the children of the urban communities into large enough school organizations to permit them to be grouped in classes of similar mental age and advancement for more efficient and more economical instruction. The large organization made it possible for many children to sing together, to play together, to study together, and finally to learn to work together. While this was being done the children of the farm group were given no such opportunity. The farm people said, "The schools are good enough for us."

2. Four years of high school were added above the already superior elementary schools developed in the urban communities, and the school year was lengthened. Into these years of high-school work, the years in which the minds of the pupils were sufficiently developed, there was introduced a study of those subjects which would best prepare the urban team to play the game. In the high school the urban youth continued for four years more to sing together, to play together, to study together, and gradually to learn to work together in large groups. While the youth of the urban group were thus being given four years of additional preparation for playing the game of business, — four years of additional training in the habits of coöperation in large groups, — the youth who remained on the farms were given no such preparation. The farm people contented themselves with saying, "Farmers don't need any more education."

3. The astute leaders in charge of the urban schools recognized that able teachers are the most important factor in making a good school. They gathered into the urban schools the best teachers to be found in the land. The farm people permitted many of these to be taken away from their children for the benefit of the city children. They filled their places with

inferior teachers, saying, "Anybody can teach a few little kids in an old country school."

4. Great pains were taken to improve the administrative and professional supervision of the schools of the urban group. No such improvement was accomplished in the supervision of the rural schools. Many farmers resented supervision of their schools, saying: "We're getting along all right. All that we need is to be let alone."

5. The urban school districts began building splendid modern schoolhouses. These expressed more eloquently than it could be done in words the high esteem in which education is held by the urban group. Many of the rural schoolhouses grew more forlorn, unsightly, and dilapidated each year. They said unmistakably, "Interest in education is at a low ebb in this rural community."

6. The curriculum offered in the schools of the urban group was carefully developed and enriched under the direction of the ablest educational leaders in the nation. It was designed to enable the rising generation of the urban group to play the great game most successfully. No such careful attention was given to the curriculum of the rural schools. There was little comprehension of the fact that the school curriculum had anything to do with the winning of the game of business by the urban group or the losing of the game by the rural group. The remark "Farm kids don't need to study all those things; they will get so smart they won't want to work at all" was sometimes heard.

7. The urban group realized that schools adequate to meet their needs could not be maintained unless they were given adequate financial support. Increased support was given. Better schools brought better education; better education made possible better organization; better organization gave greater earning power; greater earning power in turn brought better support to the schools. The indifference of many farm people toward education and the declining buying power of the

farm caused the farm group to give inadequate financial support to their schools. Inadequate financial support brought poor schools. Poor schools put the farm group behind educationally. Presently they found themselves going behind financially. The decreasing buying power of the farm in turn decreased its power to support its schools. The remark "Taxes are too high; school taxes must come down" was very often heard.

A RURAL HIGH SCHOOL

One hundred sons and daughters of farmers in their own modern high school, made one-hundred-per-cent effective by consolidating ten little, weak, rural districts into one strong, modern district

Rural life is doomed if the farm group cannot provide schools adequate to its task. Since the task of the farm group is more difficult than the task of the urban group, the farm schools must be even superior to the urban schools. The farm schools must now make the most of every means by which the urban group has brought its schools up to a high stage of efficiency. Then the farm people must go beyond this: they must give the most zealous support which it is possible for a thoroughly aroused farm group to give, they must arrange their curriculum so that it will contribute directly to the efficiency of coöperative agriculture, and they must develop throughout the school the spirit to win the great game of business.

It is encouraging, indeed, to note that in some rural communities diligent efforts are being made to apply all known means of improvement to the schools. In these communities every means that proved effective in improving the schools of

the urban group is being applied to improving the schools of the farm group. Each is modified to meet the needs of the rural people. In each of the examples given below the most up-to-date educational machinery is being assembled and perfected. These modern schools hold within themselves great possibilities. When they are fired with the high resolve to prepare the farm group to win the game, and when the farm group is fired with an equally high resolve to educate their youth to win, these schools will be second to none in the land.

**The Fairfax Consolidated School, Fairfax, South Dakota.** The first of these modern rural-community schools which we present here is located on the prairies of one of the younger states where farm population is still comparatively sparse, where no considerable accumulation of wealth has yet been made, and where the roads are not yet very well improved. In spite of these difficulties the people of the community have begun the development of those factors which make the effective modern school. By transporting the pupils that live too far away to walk they have gathered enough pupils together into one school organization to permit of effective and economical grouping into classes. These three hundred pupils from thirty-two square miles of land are now singing together, playing together, studying together, and learning to work together through twelve school years of nine months each. The four years of high school give them an opportunity to prepare for the great game after they have reached the stage of mental development necessary to understand the principles involved.

Well-trained teachers are employed. The community has come to understand that good teachers make the good school. Four years of preparation beyond the high school is required of the teachers in the high school and two years of the teachers in the elementary grades. A well-qualified superintendent is employed to supervise the work of the teachers and the drivers of the school busses and to lead in developing an educational program for the community.

A good modern school building and modern equipment have been provided for the use of the children and for the adults in their community gatherings. The teachers give much attention to directing the play of the children and thus encouraging them to get better acquainted with one another. Modern play equipment is provided. A hot dish is served with the lunches at noon. Health inspection is given by the county nurse and the local physician. Among the interests fostered by the school which bring the people together are the lecture course, the Farmers' Institute, Americanization course for Russian and German foreign-born, community gatherings, gymnasium for the people of the community, athletic contests with other schools, and increased interest in good roads, health and sanitation, better homes, and more effective coöperation of the people of the community, including the town and the territory that trades there.

This school has begun the development of a curriculum planned to bring rural life up on a par with urban life. Up to the present time the school has given attention to the production side of agriculture; now it is giving attention also to the marketing side. A broad background is being laid in the elementary grades and in the high school for intelligent participation in coöperative agriculture.

This community is making an earnest effort to give its schools adequate support. The depreciated buying power of the farm and the heavy load of state and county taxes which rests upon the farmers make this a difficult task, one that calls for real sacrifice for the cause of education.

SUMMARY OF THE IMPORTANT FACTORS OF THE FAIRFAX CONSOLIDATED SCHOOL, FAIRFAX, SOUTH DAKOTA

*District*

32 square miles; town population, 600; school tax, $1.17 per acre

*Pupils*

Total, 300: eight elementary grades, 240; four high-school grades, 60

*Teachers*
Total, 13: eight elementary grades, 9; four high-school grades, 4
*Special teachers*
Home economics, music
*Pupil groups*
High-school glee club, football, basket-ball, and track teams
*Transportation*
Pupils transported, 120; cost per pupil per day, 22 cents
Five motor busses; routes, from $3\frac{1}{2}$ to $4\frac{1}{2}$ miles

**The Lanier Township Consolidated School, West Alexandria, Ohio.** This school gathers three hundred and forty-five pupils from the farms of the district. This number permits a satisfactory organization of classes. These pupils, whose homes are scattered over an entire township, spend twelve years singing together, playing together, studying together, and learning to work together in a large group. The farm youth have the opportunity of spending four years together in high school to prepare to play the game of business against the urban team.

Four men teachers are employed in this school. All the high-school teachers have completed a four-year college course in preparation for their work, and the teachers in the elementary grades have had from one to two years of preparation beyond the high school. A well-trained superintendent is employed. Play, as a socializing influence, is given a prominent place among the school's activities. The playground is equipped with giant strides, swings, teeter boards, tennis courts, and volley-ball courts. The teachers assume active leadership in the play periods. The gymnasium is used in bad weather. A schedule has been worked out which permits the various grades to play without interference.

The county nurse inspects the pupils every month and makes such examinations as are necessary. A dentist from a neighboring town cares for the children's teeth.

The transportation of the children is taken care of on a three-year contract by a company which is placed under a $10,000

bond to perform faithfully the duty of transporting the children to and from school punctually and safely. Ten motor busses are used. Four of the drivers employed are high-school boys.

A modern building and equipment costing $65,000 (1916) have been provided. This includes laboratories for chemistry, physics, biology, and general science, a moving-picture machine for visual instruction, and a good library. The first and second floors have eight grade rooms, four high-school rooms, the superintendent's office, a first-aid rest room, and a supply room where all books and supplies needed in the school are on sale. The gymnasium and an auditorium which seats four hundred and twenty-five persons are on the basement floor.

Among the community activities centered about the school are the Community Club, the lyceum course, the Corn Show, community socials, athletic games, and moving pictures for the community once each week. The Smith-Hughes agriculture work reaches out into the community through the work of the schoolboys on their fathers' farms. An accounting school, a farmers' short course, and soil demonstrations are conducted for the people of the community.

The school brings enough farm people together to learn to know one another better and to learn to work together better; thus it is making a real contribution toward the day of successful coöperative agriculture in America.

SUMMARY OF THE LANIER TOWNSHIP CENTRALIZED SCHOOL, WEST ALEXANDRIA, OHIO

*District*

36 square miles; no town; school tax, $1.38 per acre (1925)

*Pupils*

Total, 345: eight elementary grades, 290; four high-school grades, 55

*Teachers*

Total, 12: eight elementary grades, 7; four high-school grades, 5

*Special subjects*

Agriculture, music, and home economics

*Pupil groups*

Orchestra, glee club, basket-ball, football, baseball, and track teams

*Transportation*

Pupils transported, 345; cost per pupil per day, 25 cents

Ten motor busses; routes, from $6\frac{1}{2}$ to $7\frac{3}{4}$ miles

**The Amber Consolidated School, Amber, Oklahoma.** By gathering together the children from sixty-six square miles of farm lands a fine group of four hundred pupils has been secured. This number permits the organization of classes which are effective from the standpoint of instruction and are also economical in cost. This is a splendid group in which to develop the habits of coöperation on a large scale by singing together, studying together, and learning to work together through eight years of elementary school and four years of high school.

A well-qualified, well-organized force of teachers led by a capable superintendent carries forward the work of this school on the prairies. The results achieved have been of a high grade. A very successful attempt has been made to enlist the good will of the community. Baby-beef and pig clubs have proved unusually successful. A large number of the boys and girls in the lower grades are enrolled in various lines of club work. These children achieved high rank at the state fair in exhibits of cotton, kafir corn, and chickens.

A well-equipped playground and gymnasium are provided. On the playground is seen a tall flagpole bearing the inscription "To our men who fought in France." The teachers take part and supervise the play of the children. On Friday evening the people of the community join the children in play. Adequate provision is made for health inspection of the children, and a first-aid kit and a couch for the sick are provided.

Among the community activities centered about the consolidated school are the Grange meetings, the Women's Home Demonstration Club, athletic games, community play and

games, and moving-picture shows. Such films as "The Vicar of Wakefield," "Pershing's Crusaders," "Les Misérables," the "Passion Play," "Freckles," "Tom Sawyer," and "The Blue Bird" are presented to the people for their entertainment and instruction.

This modern school provides an excellent opportunity for the farm people over a wide area to prepare to win in the great game against the urban group. Its possibilities are almost unlimited when the teachers and the people are aroused to make the most of these.

SUMMARY OF THE AMBER CONSOLIDATED SCHOOL, AMBER, OKLAHOMA

*District*
66 square miles; town population, 150; school tax, 51 cents per acre
*Pupils*
Total, 400: eight elementary grades, 340; four high-school grades, 60
*Teachers*
Total, 11: eight elementary grades, 7; four high-school grades, 4
*Special teachers*
Smith-Hughes agriculture, home economics
*Pupil groups*
Boys' chorus, girls' chorus, home-project clubs
*Transportation*
Pupils transported, 210; cost per pupil per day, 13 cents
One motor bus, six horse busses; routes, from $5\frac{1}{2}$ to 7 miles

**The Spartanburg Consolidated School, Lynn, Indiana.** The Spartanburg district includes enough children and employs enough teachers (three of whom are men) to permit of the most effective modern school organization on the 6–6 plan. It has had excellent leadership. During the past few years the school has won numerous scholarships in one of the leading universities of the state. Contrast the opportunities of the children of this modern rural school with those in the old rural school!

This school is imbued with the spirit of social service. During the World War the children of the school district sold $11,000

worth of War Savings Stamps in two weeks. The school conducted the Liberty Loan campaigns. When a tornado crossed the township, the pupils of the school raised $2500 for relief. Through the coöperative efforts of the pupils an old church building was purchased, was moved a quarter of a mile over a swamp, and was fitted up for a school gymnasium. By coöperative effort an excellent lyceum course is procured each year,

A LESSON IN THE JUDGING OF HORSES

Boys in vocational agriculture class studying draft horses on a farm near the consolidated school

and the school forms the center for the farmers' organizations of the community. The school serves as the community newspaper to distribute information to the homes of the community.

This consolidated school offers shop work in the use and repair of gasoline engines, automobiles, and the machinery usually found on the farm. Good equipment for play is provided, and the teachers take an active part in leadership on the playground. The county nurse and the local physician assist in looking after the physical welfare of the children. School credit

is given for physical training. A moving-picture machine, secured through coöperation with the churches, provides visual instruction as well as entertainment.

The motor proves swifter than the horse in bringing the children to this school. A motor bus running on an improved road gathers the children on a fifteen-mile route as quickly as a horse-drawn bus can gather them on a route one third as long.

This school is one of the sixteen consolidated schools in Randolph County. Less than half a dozen one-teacher rural schools remain in the county. The sentiment in favor of organizing large, efficient schools is almost unanimous.

Modern schools, like that at Spartanburg, and highly consolidated counties, like Randolph, offer the educational machinery by which the farm people can prepare themselves to play the great game of business as well as any people in the world. To do this, people and teachers must consecrate themselves to the task of making the schools prepare the way for successful cooperative agriculture. Educational machinery like this can get real results whenever the people set out to use it for the definite purpose of bringing the bargaining power, the standard of living, and the standard of intelligence up on a parity with the best in the urban communities. They have the means with which to do it.

SUMMARY OF THE SPARTANBURG CONSOLIDATED SCHOOL, LYNN, INDIANA

*District*

47 square miles; town population, 125; school tax, $83\frac{1}{2}$ cents per $100 valuation (1925)

*Pupils*

Total, 430: eight elementary grades, 294; four high-school grades, 136

*Teachers*

Total, 13: eight elementary grades, 6; four high-school grades, 7

*Special teachers*

Agriculture, home economics, music, industrial arts

*Pupil groups*

Literary societies, physical-training classes for boys and for girls, high-school chorus, girls' chorus, basket ball

*Transportation*

Pupils transported, 268; cost per pupil per day, 17 cents
Twelve motor busses; routes, from 11 to 15 miles

**The Alberta Consolidated School, Alberta, Minnesota.** Enough pupils are brought together in this school on the Minnesota prairies to organize an efficient eight-teacher school: four for the eight elementary grades and three in the four-year high school. These pupils play together and study together for twelve school years of nine months each. They have been led by a superintendent who understands the great importance of coöperative enterprise among farm people.

Seventy-two boys and girls of this school take active part in club work. The parents coöperate heartily with their children in the pig clubs, baby-beef clubs, poultry clubs, garden clubs, canning clubs, and bread-baking clubs. The pupils have ranked remarkably high in competition at the county and state fairs.

Two hot dishes are usually served at noon to supplement the lunch brought by the pupils. The hot lunch is self-supporting. Meal tickets are used. Macaroni, baked potatoes, chocolate, cocoa, and various kinds of soup are served. The county nurse inspects the pupils several times each year and follows up all cases in the homes. Play apparatus, such as giant strides, seesaw, swings, and equipment for volley ball, basket ball, and tennis, furnish all an opportunity for play.

The Community Club, the Women's Club, the Commercial Club, and the lyceum course center their activities at the excellent modern schoolhouse. A moving-picture machine is used to give visual instruction in the school and entertainments for the community. Several denominations joined together to build a beautiful well-equipped community church near the community school. The church and the school form the center

of the social life, made rich and interesting by games, programs, band and orchestra music, and Sunday-evening talks by prominent business men, with an occasional musical program by artists brought in from the cities.

When the people of such a community shape the curriculum of their school to train the youth definitely for playing the great game of coöperative agriculture and put themselves

AN ORCHESTRA IN A CONSOLIDATED SCHOOL

squarely behind the program, very effective progress will be made. Such educational machinery can be made extremely effective in putting the buying power and the conditions of living of the farm group on a parity with the best standards.

SUMMARY OF THE ALBERTA CONSOLIDATED SCHOOL, ALBERTA, MINNESOTA

*District*

22½ square miles; town population, 100; school tax, 40 cents per acre[1] (1925)

*Pupils*

Total, 125: eight elementary grades, 95; four high-school grades, 30

[1] Approximately one third of the cost of consolidated schools in Minnesota is borne by the state through a state-wide tax and the interest accruing from the permanent school fund.

*Teachers*

Total, 8: eight elementary grades, 4; four high-school grades, 4

*Special subjects*

Agriculture, home economics, music, manual training

*Pupil groups*

Boys' chorus, orchestra, girls' glee club, basket ball, baseball

*Transportation*

Pupils transported, 72; cost per pupil per day, 30 cents

Seven horse-drawn vehicles; routes, from $3\frac{1}{2}$ to $5\frac{1}{2}$ miles

**Remer Consolidated School, Remer, Minnesota.** The Remer Consolidated School is another school adequate to meet the needs of rural life. By gathering the children from one hundred and twenty-six square miles of territory a splendid group of pupils is secured for coöperative endeavors. These are organized into classes of similar mental age and advancement for the most efficient and economical teaching. Four years of high school are provided. A strong, well-prepared teaching force and a competent superintendent make this school a very efficient instrument of education.

The teachers supervise the children's play, and the superintendent is coach of the athletic teams. The members of the Parent-Teacher Association gather at the schoolhouse and take part in community play. A skating rink is maintained in winter. A bowl of hot soup at the moderate price of two cents is furnished the pupils in connection with their noon lunch. A physician, paid by the month, is employed by the school.

Such a large number of community activities are centered about this excellent school that the building is used every night in the week and on Sunday. Two church organizations, five lodges, the Ladies' Improvement Club, the Farmers' Coöperative Shipping Club, and the American Legion hold their meetings in the schoolhouse. Athletic games and motion pictures by the school and numerous social gatherings complete the list of social activities. The children and adults of this community are in very truth singing together, playing together,

studying together, and learning to work together through this modern school.

Here, set down in a rural community, is an educational instrument which has very great possibilities. It has all the possibilities of the educational instruments used by the urban groups. When the people of this farm community in Minnesota awake to the potential power of this educational instrument and begin to use it as the Danish farmers use their folk high schools to develop a definite program of coöperative marketing and other coöperative farm enterprises, they will discover its real power; they will find in it one of the most effective instruments for turning back farm peasantry and establishing the farm group on as high economic and social levels as any other of the great groups in America.

Summary of the Remer Consolidated School, Remer, Minnesota

*District*
126 square miles; town population, 500; school tax, 40 cents per acre

*Pupils*
Total, 215: eight elementary grades, 193; four high-school grades, 22

*Teachers*
Total, 8: eight elementary grades, 5; four high-school grades, 3

*Special subject*
Home economics

*Pupil groups*
Basket-ball and baseball teams

*Transportation*
Pupils transported, 102; cost per pupil per day, 15 cents
Five motor busses; routes, from 4 to 9 miles

**Merryville Consolidated School, Merryville, Louisiana.** The children are gathered from one hundred square miles of farm land to organize this farm-life school in the South. In this way a splendid group of pupils is secured, thus making possible effective and economical grouping into classes for instruction and the development of a strong four-year high school. The pupil

group is large enough and the organization sufficiently well perfected to command the services of well-qualified teachers and a competent superintendent.

The school is located in the midst of a large tract of agricultural and forest lands. It has as its outstanding purpose the development of citizens prepared to make the most of the agricultural resources of the South. Much care is taken to improve health conditions in the district, the school being under the supervision of a Rockefeller Foundation health unit. Supervised play and faculty coaching for athletic teams are provided. The Parent-Teacher Association is active in helping to promote the welfare of the pupils.

The whole countryside for miles around is knit together by this school. Here is educational leadership, a strong force of teachers, an efficiently organized school, good school buildings and equipment, and four years of high school above the elementary grades for the youth of the farm. The youth and the adults are brought together from a large territory to sing together, to play together, to study together, and to learn to work together. They are brought together in sufficiently large numbers and for a sufficiently long time to form the habits of effective coöperation in large groups important to the success of coöperative agriculture. Here is an educational instrument of great potential power ready and waiting. When the leaders of the school and the farm people of the community have caught the vision and set out definitely to train their youth to play the game, this school will become a power in the farm community. It has presented all the educational factors that are necessary to provide the better education and, through that, the better organization which will put the bargaining power of the farm group upon a parity with the bargaining power of the great organized industries; it remains only that these instrumentalities be set in motion by a dynamic purpose. The people have already made a good beginning in this direction.

SUMMARY OF THE MERRYVILLE CONSOLIDATED SCHOOL, MERRYVILLE, LOUISIANA

*District*

100 square miles; town population, 3000; school tax, 35 cents per acre[1]

*Pupils*

Total, 500: seven elementary grades, 400; four high-school grades, 100

*Teachers*

Total, 21: seven elementary grades, 14; four high-school grades, 7

*Special subjects*

Agriculture, home economics, and music

*Pupil groups*

Orchestra, glee club, agricultural club, basket-ball, football, and track teams

*Transportation*

Pupils transported, 160; cost per pupil per day, $17\frac{1}{2}$ cents

Five motor vehicles; routes, from 5 to 12 miles

**The Center Consolidated School, Center, Colorado.** This farm school is an educational instrument of tremendous possibilities. It was formed by gathering together the children from one hundred and sixty-five square miles of land. The educational task is sufficiently large and important to command the services of the ablest teachers and supervisors. The group is sufficiently large to permit of the organization of classes on the most effective modern plan and of material facilities equivalent to those provided by the urban group.

Several men teachers are employed in the high school. Smith-Hughes vocational courses are given in agriculture and in home economics. Business courses in bookkeeping, typewriting, and English, together with shop work in the use and repair of gas engines, automobiles, and farm machinery, are given. The farmers coöperate with their sons who are studying agriculture through home projects designed to interest the boys in more intelligent agriculture.

[1] In Louisiana more than 20 per cent of the support of public schools is raised by a state tax, and the county-unit system of taxation for school support is employed.

The playground, which contains thirteen acres, is laid off in fields for football, baseball, playground ball, and volley ball. All play activities of the pupils are under the direct supervision of the teachers. Athletic competition with other schools is popular. An excellent gymnasium is provided and is much used in physical training and in community and interscholastic games.

FARM CHILDREN AT PLAY AT THE CONSOLIDATED SCHOOL

A woman is employed to prepare and serve a cafeteria lunch with the assistance of the cooking department. Pupils may buy a complete meal or supplement their own lunch. A sample menu consists of soup, crackers, sandwiches, and cocoa, and costs seventeen cents.

One room is fitted as a hospital, and contains a bed, chairs, a table, and a first-aid kit. A local physician coöperates.

To bring a sufficient number of pupils together to form this efficient modern school ten motor busses are used. These are owned by the school district. Thirty-five pupils are transported per bus. High-school boys are employed as drivers; they receive forty dollars a month. The condition of the roads is now

such that the time schedule on the longest route, twenty-six miles, is but one hour and ten minutes.

Among the community activities centered about the school are lyceum and Chautauqua courses, commercial-club meetings, American Legion meetings, women's gymnasium class, and men's athletic club. Short extension courses are held from time to time in coöperation with the state agricultural college. The splendid laboratories and equipment of this school are available for the use of the farmers of the community. The motto at Center is "Developing Citizens for a Democracy."

By bringing five hundred children together for twelve years of school life in the most effective organization and under able educational leadership this rural community has developed a powerful instrument for furthering coöperative agriculture. The true power of this school will begin to show itself when the farmers of this community are fully aroused and the educational leadership of the school has joined them in a definite program to put the buying power of the farm on a parity with the buying power of the great organized industries. When schools like this are fully in action and are backed by a determined farm group, they are the best defense against that peasantry which many students of history say must be the end of all farm peoples.

SUMMARY OF THE CENTER CONSOLIDATED SCHOOL, CENTER, COLORADO

*District*

165 square miles; town population, 750; school tax, from 30 to 60 cents per acre (1925) [1]

*Pupils*

Total, 490: eight elementary grades,[2] 410; four high-school grades, 80

*Teachers*

Total, 16: eight elementary grades, 10; four high-school grades, 6

[1] Hay and pasture land, twenty-eight cents per acre.

[2] A separate preparatory grade is provided for Mexican children until they are able to do the standard grade of work.

*Special subjects*

Agriculture, home economics, music and art, commercial subjects

*Pupil groups*

Band (30 pieces), glee club (40 members), quartets, debating, football, baseball, basket-ball, and track teams

*Transportation*

Pupils transported, 260; cost per pupil per day, 25 cents

Ten motor busses; routes, from 11½ to 26 miles

**Del Norte Consolidated School, Del Norte, Colorado.** This school, like the one at Center, brings together enough children and employs enough high-grade teachers to make possible the most effective modern school organization. It gathers together three hundred and forty farm pupils scattered over nine hundred square miles of farm and ranch land. These pupils work and play together for twelve years through a modern school system having the very best of elementary and high-school facilities.

There has been a very rapid increase in the farm population in this community since the school was organized. A program of scientific farming and better homes is being promoted by the school under the leadership of the instructors in the vocational courses in agriculture and home economics.

The health of the pupils is promoted by a hot meal at noon each day, by play and physical education under the direction of the teachers in the gymnasium and on the well-equipped playground, and through inspection by practicing physicians

The motor-transport system of this school is worthy of special note. It gathers children from homes scattered for many miles through a rough country. The average length of routes traveled by each of the twelve busses is seventeen miles one way. An average speed of fifteen miles per hour is maintained by the busses in gathering children along the routes and in distributing them to their homes. Only a very few of the children transported over the long routes of this big district spend more than an hour on the road going to school or returning.

This school is an educational instrument of the most modern and effective type. It has almost unlimited possibilities when they are fully directed to training the rural youth for the great game.

SUMMARY OF THE DEL NORTE CONSOLIDATED SCHOOL, DEL NORTE, COLORADO

*District*

900 square miles; town population, 1000; school tax, 40 cents per acre (1925)

*Pupils*

Total, 825: eight elementary grades, 694; four high-school grades, 131

*Teachers*

Total, 25: eight elementary grades, 15; four high-school grades, 10

*Special subjects*

Music, home economics, agriculture, Spanish, commercial subjects, shop work, physical education

*Pupil groups*

Band (42 pieces), orchestra (12 pieces), reed orchestra (12 pieces), glee club (30 voices), football, basket-ball, baseball, and track teams

*Transportation*

Pupils transported, 340; cost per pupil per day, 28 cents

Twelve motor busses; routes, from 10 to 21 miles

**The Tipton Consolidated School, Tipton, Iowa.** Enough pupils are gathered together in this farming community of the Iowa corn belt to make possible a modern school organization of the best type on the 6–3–3 plan. A very successful kindergarten is conducted in addition to the twelve grades. Only teachers of the highest standards of preparation and successful experience are employed in the elementary grades and in the junior and senior high schools. A very competent superintendent is employed. The eight hundred pupils of this school sing together, study together, and learn to work together for twelve school years of nine months each. This school is an educational instrument of much potentiality.

A beautiful, thoroughly modern high-school building, erected

at a cost of $265,000, stands as a monument to the interest in education shown by this rural community. The building is fully equipped in the most modern fashion with science laboratories, a library, a gymnasium, an auditorium for community purposes, and moving-picture equipment.

The county nurse assists in the health work. A light lunch is served to undernourished children through the activity of the Parent-Teacher Association, which also provides cots on which the kindergarten children from the country are put to bed for after-dinner naps. Much attention is given to physical training, supervised play, and athletics. The school coöperates in the county play day, which attracts crowds of eight thousand visitors.

A Smith-Hughes agricultural course is carried out in coöperation with the farmers of the community. Some attention is paid to the study of coöperative marketing. Each boy has his home farm for a project. Coöperation with the Farm Bureau, the Commercial Club, and the Parent-Teacher Association greatly strengthens the activities of this school. Here is an educational instrument capable of great service in preparing the youth of this community to play the game.

SUMMARY OF THE TIPTON CONSOLIDATED SCHOOL, TIPTON, IOWA

*District*

72 square miles; town population, 2000; school tax, 76 cents per acre (1925)

*Pupils*

Total, 845: six elementary grades, 443; six high-school grades, 402

*Teachers*

Total, 31: six elementary grades, 16; six high-school grades, 15

*Special subjects*

Music, drawing, agriculture, home economics, manual training, physical training, commercial subjects

*Transportation*

Pupils transported, 318; cost per pupil per day, 28 cents

Eleven motor busses, eight horse busses; routes, from $3\frac{1}{2}$ to $7\frac{1}{2}$ miles

**The Jesup Consolidated School, Jesup, Iowa.** Assembled together here is a splendid group of young people from forty-eight square miles of farm land. All the educational factors necessary to train the farm youth effectively for the coöperative mode of agricultural life which is just round the corner are found in this school. There are pupils enough to permit of division into classes for the most efficient and economical instruction. An excellent modern high-school curriculum offers opportunity to train the youth for the great game after they have reached a more mature age of understanding.

This rural community believes in employing a competent teaching force, and the reputation of the school is such that it attracts the very best.

The school building is a beautiful modern structure provided with up-to-date equipment for teaching. The health of the children is promoted through careful inspection by the teachers and the county nurse, with follow-up work in the homes. The children assemble for lunch in a large room which accommodates them all. One hot dish costing five cents is served to supplement the lunches brought from home. A great deal of attention is given to play, which is supervised by the teachers. Slides and swings are provided on the playground, the gymnasium being used in bad weather. Great interest is taken by the community in interschool contests. The boys' basket-ball team, coached by the superintendent, has gained high rank in state contests.

This is one of the consolidated schools associated with the Iowa State Teachers College for the purpose of training teachers and superintendents for such schools. Skilled critics are in charge of this work, and excellent results are secured through training teachers in the atmosphere of an efficient consolidated school which is functioning in harmony with its rural-life setting.

Included among the community activities centered about the consolidated school are the Jesup Fair and Stock Show,

meetings of the Farm Bureau, the Farmers' Institute, a winter short course for older boys, coöperation of the farmers in Smith-Hughes agricultural work through the use of their crops and live stock for judging and project purposes, agricultural club work in potato, poultry, calf, and pig clubs, declamatory contests, and meetings of the women's club and of the W. C. T. U. The school building provides in its assembly room and gymnasium excellent accommodations for community meetings. Who can measure the influence of a school like this when the community is thoroughly aroused to use its school as an instrument for developing the power of coöperative agriculture?

SUMMARY OF THE JESUP CONSOLIDATED SCHOOL, JESUP, IOWA

*District*

48 square miles; town population, 800; school tax, $1.26 per acre (1925)

*Pupils*

Total, 355: eight elementary grades, 244; four high-school grades, 111

*Teachers*

Total, 16: eight elementary grades, 10; four high-school grades, 6

*Special subjects*

Agriculture, dramatics, home economics, manual training, instrumental and vocal music

*Pupil groups*

Agricultural judging and demonstration, glee clubs, declamatory contests, orchestra, basket-ball, baseball, and track teams

*Transportation*

Pupils transported, 206; cost per pupil per day, 22 cents

Nine motor vehicles, six horse busses; routes, from $3\frac{1}{2}$ to 7 miles

**The Whitmell Farm-Life School, Whitmell, Virginia.** Four hundred pupils gathered from thirty-six square miles of farm land have been organized into a very vigorous school system. There are pupils enough and teachers enough to make possible a very desirable type of organization. The teaching

force is of a high standard, and the educational leadership of the superintendent has been very exceptional. The youth of this Virginia farming community sing together, play together, study together, and work together through the elementary grades and the excellent four-year high school. The farm people often join them in the activities of the school. Although

THE SCIENCE ROOM IN A CONSOLIDATED SCHOOL

A knowledge of science is fundamental to a modern education

working under difficult financial conditions, this school has accomplished some remarkable results for the community.

The class in rural sociology made a farm-life survey throughout the district covering farm ownership, the value of farm homes, the value of farms, equipment of farm homes, comparative expenditure for home conveniences and farm improvements, the working hours of farm women, and the distance from the school, from the church, and from the doctor.

Material from the survey is used by the classes in English composition. The best articles are published in the excellent paper issued by the school, and at the close of the year these

are gathered into the school year book. Conveniences needed at home, such as fireless cookers and iceless refrigerators, are made in the school shop.

The school seeks to find the greatest needs of the community and then to work toward a solution. It emphasizes remedies. The results of the survey are kept constantly before the people through the school paper, through photographs, charts, and graphs presented at community meetings, and through a pageant illustrating findings of the survey. The Smith-Hughes agricultural director is employed on a twelve months' basis. Speakers from the state agricultural college give considerable assistance in discussing the problems of the community.

A miniature model of a $7000 modern dwelling house suited to the needs of Virginia farmers was designed by the pupils, was built in the manual-training shops, and was decorated and furnished by the various classes in the school, all the pupils having a share in the project. It is used to encourage an interest in better homes on the part of the people.

The school serves as a center for all social and business activities of the community. The Farmers' Club and the Tobacco Growers' Association have their meeting place at the schoolhouse. The Civic League organized among the pupils pays close attention to improving the conditions in the school and in the community. Music is fostered, interest in better roads and better churches is developed, rural-life conferences are held, and everything possible is done to increase interest in better country life.

This school is a well-perfected instrument of education constructed to function in a rural community. It is immensely superior to the old rural schools. It is the full equivalent of the best city schools. As the movement to lift the buying power of the farm to a parity with the buying power of the great organized industries through the organization of coöperative agriculture takes root in the hearts of the people, schools like this will render a very great service. Whitmell is teaching the farm

youth to play the great game. It purposes to make farm life the most prosperous, the most honorable, and the most noble of callings.

It is significant that the teacher of agriculture in this school serves as secretary of the county coöperative marketing association and as leader of the local association. The school gives all possible help in the effective marketing of the crop.

SUMMARY OF THE WHITMELL FARM-LIFE SCHOOL, WHITMELL, VIRGINIA

*District*
36 square miles; town population, 80; school tax, 90 cents on $100 of tax valuation (1925)

*Pupils*
Total, 402: seven elementary grades, 298; four high-school grades, 104

*Teachers*
Total, 15: seven elementary grades, 9; four high-school grades, 6

*Special subjects*
Agriculture, home economics, music

*Pupil groups*
Glee clubs, Civic League, Home Economics Club, opportunity class, athletic clubs, school-paper staff, citizenship program including entire school

*Adult groups*
Community League, Coöperative Marketing Association

*Transportation*
Pupils transported, 398; cost per pupil per day, 10½ cents
Twelve motor busses; routes, from 3 to 8 miles

**The Holcomb Consolidated School, Holcomb, Kansas.** On the plains of Kansas a splendid group of children is gathered together at the Holcomb School. This district comprises one hundred and twenty-five square miles of farm land. The group is large enough to make possible the most modern form of school organization on the 6-3-3 plan, which permits the most effective class instruction by specially prepared teachers, and commands the services of a competent, well-trained superin-

tendent. The old rural school cannot attract or hold in the service of the children such teachers as those in the Holcomb School.

This big group of young Kansas farmers learn to work together under able leadership for twelve years. Here is an educational instrument that can train farmers to stick together to play the great game to win. This is the hope of rural life.

THE TEACHERS' HOME

Consolidated school at Holcomb, Kansas

The school is located in a thickly settled, irrigated section of the state where much attention is given to raising sugar beets. Courses in Smith-Hughes agriculture, in farm mechanics and tractor repair, and a business course are provided. Coöperation with the farmers of the district is maintained through home projects of the boys.

Dental inspection, the hot lunch, playground equipment, gymnasium, and play supervised by the teachers contribute to health.

In gathering the children in this large district the routes are necessarily long, but the motor busses make excellent time. The longest route, twenty-six miles, is covered in one hour and

twenty minutes. All busses are driven by teachers, who receive $20 a month extra for driving.

The beautiful modern school building says more eloquently than it can be put into words, "This rural community believes in better education to develop a greater farm life."

The school building is also used for Sunday-school and church services. A fine modern home and some family cottages are provided for the teachers. Community singing, community plays, community club, and community dinners center about the school. The school is seeking to teach community coöperation in all possible ways. It is making real progress. When the prairie farmers catch the vision of what better education and better organization can do to perfect coöperative agriculture and to put it on a permanent basis of prosperity and power, this school will be ready to do a great work.

SUMMARY OF THE HOLCOMB CONSOLIDATED SCHOOL, HOLCOMB, KANSAS

*District*
125 square miles; town population, 150; school tax, 57 cents per acre (1925)

*Pupils*
Total, 540: six elementary grades, 409; six high-school grades, 131

*Teachers*
Total, 19: six elementary grades, 10; six high-school grades, 9

*Special subjects*
Smith-Hughes agriculture, Smith-Hughes vocational home-making, music

*Pupil groups*
Girls' chorus, boys' glee club, orchestra, basket-ball and track teams, mixed chorus

*Transportation*
Pupils transported, 409; cost per pupil per day, 20 cents
Fourteen motor busses; routes, from 10 to 26 miles

**The Ramer Consolidated School, Ramer, Alabama.** The youth from three hundred and fifty square miles of Alabama farm land are gathered together into this splendid rural-life

school. This school is superior because the number of pupils is large enough to permit division into class groups for the most effective teaching and large enough to attract the services of the most competent and best-trained teachers. It is large enough to generate the educational interest which holds pupils in school more months each year and for more years in the course. Two hundred and fifty young people are enrolled under able leadership in the junior and senior high schools. The old rural schools, with their short terms and few years in the course, their less competent teachers, and their inferior school buildings, could not bear comparison with this school. They were most inadequate to meet the difficult problems of rural life. This school is as adequate to the needs of rural life as are the best city schools to the needs of urban life.

Careful attention is given to the health of the pupils. The county health officer and the county nurse coöperate with the school in improving the health conditions of the community.

The Ramer School not only gives a broad, well-rounded educational course, but it also puts emphasis on rural-life studies. It stimulates the more intelligent and energetic development of the farm lands of that locality. Through its vocational agricultural and home-economics courses a definite attempt is being made to improve farming and farm homes in the community. Its leadership is concerned with the development of the social and recreational activities of the community. Community fairs, farm and home demonstration, and Sunday-school meetings are centered about the school. The farmers give strong support to the agricultural project work. The school is dedicated to the purpose of promoting healthier, happier living on the land.

Evening school is being conducted for the adults of the community. Problems of production and of coöperative marketing are considered.

As the farmers of the South really set out to lift agriculture to a plane with the other great industries by developing its

coöperative power, schools like this will give a good account of themselves. They have within themselves the possibilities of training farm youth most effectively to play the game.

SUMMARY OF THE RAMER CONSOLIDATED SCHOOL, RAMER, ALABAMA

*District*

350 square miles [1]; town population, 400; school tax, 30 cents on each $100 valuation [2]

*Pupils*

Total, 422: six elementary grades, 176; six high-school grades, 246

*Teachers*

Total, 18: six elementary grades,[3] 6; six high-school grades, 12

*Special subjects*

Vocational agriculture, vocational home economics, music

*Pupil groups*

Boys' glee club, girls' glee club, basket ball, football, baseball, tennis, socker, volley ball

*Transportation*

Pupils transported, 320; cost per pupil per day, 20 cents

Ten motor busses; routes, from 8 to 17 miles

**The Jordan Consolidated School, Sandy, Utah.** The Jordan Consolidated High School serves a large territory, in which the people are gathered into twelve towns and the farm lands about each. Approximately 50 per cent of the farmers living in the different localities which comprise this school district make their homes on the farms they cultivate. The others live in the towns and go out one, two, or three miles to work their land. In each of the twelve towns an elementary school is

[1] The older pupils are transported from a surrounding territory of three hundred and fifty square miles to the junior and senior high schools. The pupils of the six elementary grades are transported to the central school from one hundred square miles.

[2] Approximately 50 per cent of the money for the support of schools in Alabama is raised by state taxation. The county unit of school support is used.

[3] Eighteen teachers are employed in the two-teacher and three-teacher elementary schools in the outlying portion of the area served by the consolidated high school.

maintained covering the first eight grades. Each of these elementary schools is a centralized school, the younger children of such farmers as live in the open country being transported to the school in the nearest town. A total of 2780 pupils attend the elementary schools in these twelve towns, 91 elementary teachers are employed, and 24 school vans are used to transport the children from the farms to the schools.

The pupils of the ninth, tenth, eleventh, and twelfth grades from the supporting elementary schools in the twelve local communities are brought together in the consolidated high school. Superintendent D. C. Jensen says:

> Were it not for consolidation and our transportation system, each of the communities now served by the Jordan High School would have to support its own little high school, and the excellent results now made possible would be quite impossible if the same funds and efforts were scattered over twelve small high schools, none of which would be large enough to reach the standard of excellence required in a modern high school.

Twenty of the twenty-five teachers employed in the high school have had preparation equivalent to four years above high school. Eleven of the teachers are men. The superintendent is executive officer of the board of education and has general direction of all phases of school work and of all employees. The high-school plant is located in the open country one mile south of Sandy. The grounds contain twenty-three acres, a part of which constitutes the school farm. Ample grounds are laid off for football, tennis, baseball, and field and track events. The magnificent $200,000 school building is thoroughly modern in plan and equipment. It stands on an eminence and makes a very imposing appearance. Additional buildings include two large workshops and homes for the superintendent, the principal, and the custodian of the grounds.

Twelve motor busses, with drivers selected from among the older boys, are used for transporting the pupils. The drivers

are required, as a prerequisite, to take the course in automobile mechanics given in the high school. The busses are overhauled, repainted, revarnished, and kept in constant repair by the high-school boys who are taking the course in automobile mechanics, the work being done under the supervision of a high-class mechanic who is instructor in this course. The superintendent of schools is director in chief of the transportation system.

In summarizing briefly the work of this remarkable school the following should be mentioned:

The large number of pupils gathered into the school and the large number of well-prepared teachers employed make possible the organization of the work on such a basis that students may elect very broad and varied curriculums. The two fixed requirements of every pupil are first that he shall endeavor to perfect his power of expression through the study of English and secondly that he shall keep himself physically fit. The courses offered cover such a broad field of scientific, utilitarian, and cultural subjects and the work is so thoroughly done that the student is able to select the course that will develop his native bent toward the largest success in life.

Probably in no other state has community singing been developed so generally among the people as in Utah. The Jordan Consolidated School, through its special emphasis on music, prepares the people to enjoy singing. Choirs, choruses, and orchestra are developed in the school. Operas are given by the children. These are well advertised by placards carried on the school busses and are well attended by the people. High-class musical artists are brought before the pupils and the people of the district by the school lyceum course. On the annual field day a chorus of eight hundred pupils and teachers from the high school and the supporting elementary schools gives the opening part of the program. The high-school pupils are encouraged to take an interest in dramatics, and they give at least one play each year. The best in moving pictures is

brought to pupils and patrons through the up-to-date machine in the school auditorium. Cultural activities are fostered.

It is sought to improve business practice in the community by offering courses in bookkeeping, commercial law, typewriting, and stenography. Fundamental courses in science, which are now basic in a modern education, are provided

JORDAN CONSOLIDATED HIGH SCHOOL, SANDY, UTAH

through well-trained teachers and well-equipped laboratories. Smith-Hughes vocational agriculture gives technical training for the agricultural activities of the community, which include the raising of dairy cattle, hogs, sheep, beef cattle, alfalfa, potatoes, sugar beets, wheat, truck and garden crops, berries, and large fruits. The best farmers of the community coöperate by discussing important problems with the agricultural classes and by permitting their live stock and growing crops to be used for purposes of demonstration and project works.

Pupils in the agricultural classes are taken to the farms in the school busses. These classes assist the farmers in spraying and trimming fruit trees.

In the automobile-mechanics school a hundred and fifty boys are enrolled under an expert mechanic. A large, well-equipped shop is provided. Repairing, repainting, and varnishing are done on the school busses and also on automobiles and trucks brought in by the people of the community. Tractors also are repaired. The work is done at cost. The drawing of plans, shop work, and actual construction of buildings in the community are carried out in carpentry. Cement construction, such as foundations, floors, septic tanks, sidewalks, and steps, is done for the community. Tools, scissors, and skates are sharpened, articles are turned from wood, furniture is made, upholstering is done, and all sorts of repair work are carried on. The list of work actually done for the community during the year is surprisingly long and varied. The boys are paid for the work done outside class time as follows: pupils with one year of shop training, $2.50 per day; with two years of training, $3 per day; with three years of training, $3.50 per day; with four years of training, $4 per day. The amount earned by the boys in one year totals as high as $8000. A considerable number of boys pay their way through high school with the money they earn in connection with their industrial work.

The following are school slogans: "Skill that is useful is skill that is marketable." "We buy nothing the boys can make and hire done elsewhere nothing the boys can do." "If it is made of wood, brick, stone, or cement (and it is educational) we do it, from grass roots through to paint."

The girls are all encouraged to take at least two years' work in domestic science and art and the problems of household management, the keeping of accounts, and the economic problems of the home. It is believed that family thrift depends largely upon the business ability of the mother, and careful effort is made to train the girls in right habits of household

economy. About one hundred and twenty-five girls are enrolled yearly in the courses in dressmaking and millinery. A very practical application of the work done in cooking is found in the school cafeteria, which provides hot meals daily to about two hundred and fifty pupils and teachers. The policy of the cafeteria is to furnish palatable, nourishing food, prepared from first-class ingredients, at actual cost of preparation. The

YOUNG PEOPLE FROM THE FARMS IN THE BUSINESS COURSE OF A CONSOLIDATED SCHOOL

cafeteria is under the direction of the head teacher in home economics. The girls have a part in planning menus and in purchasing supplies. The routine work of the cafeteria is done by girls from the cooking classes who are selected for their ability as good cooks, their speed, and their neatness. They are paid from fifteen to twenty cents per hour.

Close coöperation is maintained in health work between the school, the county health department and hospital, and (through the Parent-Teacher Association) the patrons. Dental clinics are maintained, and dentists are brought to the school with a traveling equipment when no dental accommodations

are to be had locally. Hundreds of children are now receiving efficient dental care through the efforts of the school. Clinics in nose and throat defects also are very effectively promoted by the school. By the end of the second year of this service in the Jordan School district, seven hundred and sixty-nine cases of adenoids and diseased tonsils had been discovered and remedied. Many lectures on health topics are given throughout the district by practicing physicians. Health films are shown before the pupils and the parent-teacher organizations. Hot lunches, supervised play, and athletics contribute to vigor and good health among the pupils.

Physical education is given such an important place and made so interesting that pupils and teachers strive to keep physically fit through daily athletic contests and exercise. Much attention is given to group athletics, large numbers of boys and girls taking part. The culmination of the year's activities is reached in the field day at the high school. Thousands gather for this event. A great deal of interest is taken in football, basket ball (for both girls and boys), tennis, and baseball. Class contests are very popular in the major sports, and the freshman-sophomore flag-rush or push-ball contests are important annual events.

The state law in Utah authorizes education in health, vocations, and civic and patriotic service through the twelve months of the year. In the Jordan district all students in the junior and senior high schools are required to take part in these all-year-round activities. To secure unconditional promotion from year to year each student must earn 100 points in these activities.

The Jordan School is a powerful educational instrument. It gives a broad, liberal education. It brings an unusually large group of young people into high school to sing together, to play together, to study together, and to learn to work together. Basic preparation for successful coöperative life is being made on a large scale; it is fitting the rural youth to play the game

successfully against the well-educated and well-organized urban groups. Coöperative agriculture backed by such schools as this is irresistible.

SUMMARY OF THE JORDAN CONSOLIDATED SCHOOL, SANDY, UTAH

*District*

Southern half of Salt Lake County. Includes twelve towns, with population from 210 to 2200

*Pupils*

Four high-school grades, 675

*Teachers*

Four high-school grades, 25

*Teachers of special subjects*

Agriculture (1), music (2), physical education and athletics (2), home economics (4), mechanic arts and mechanics (4)

*Pupil groups*

Choir (60 voices), girls' chorus (45 voices), boys' glee club (21 voices), orchestra (68 pieces), football, basket-ball, baseball, and track teams

*Transportation*

High-school pupils transported, 508; cost per pupil per day, 19 cents

Twelve motor busses; routes, from $3\frac{1}{2}$ to $11\frac{1}{2}$ miles

**Summary of modern farm-life schools.** Modern farm-life schools, adequate to meet the needs of rural life, are being developed gradually in all the states. California, Washington, and Pennsylvania, in addition to the states mentioned above, have been particularly active in developing a modern type of farm-life schools adequate to deal with the tremendously difficult task that confronts rural life today. This movement can go forward no faster than the farmers, by better marketing, can get the money out of their crops to pay for better schools. Slowly the old type of rural schools is giving way. It is estimated that at present there are in the United States approximately 4000 farm-life schools of the modern type which may be classed as fully adequate; about 10,000 farm-life schools employing several teachers each, but too small,

too poorly organized, too poorly taught, and too poorly supported by farm groups which have no definite purpose to achieve through them, to be classed as adequate; and approximately 168,000 one-teacher rural schools, which are the least adequate of all.

**The folk high schools of Denmark.** The Danish folk high schools have proved adequate to the task of preparing the youth of the farms to play the game effectively against the organized urban groups. The folk high schools have one marked superiority over the American farm-life schools: the Danish farmers have embarked definitely on a program of coöperative agriculture and look upon their schools as the vital instrument for carrying through this program. Consequently they are tremendously interested in the efficiency of the schools. They expect them to teach the things that will contribute effectively to the intelligence, prosperity, and power of the farm group. Through coöperative enterprise they have made agriculture the most important and most prosperous industry of Denmark; hence the most competent young people enter the schools with the definite purpose of fitting themselves for a permanent career in the aristocrat of occupations — agriculture. This gives the folk high schools of Denmark a spirit and a purpose which is as yet lacking in many American farm-life schools.

Farm life is at the crossroads in America today. If it will awake to the definite purpose of developing its powers through coöperative agriculture and will make the best use of its schools to accomplish this purpose, farm life can be what it ought to be in America — the aristocrat of occupations. Failing in this, American farm life must go down into that peasantry which many students of history point out as the inevitable end of all agricultural peoples. The lowered social and economic level of the farm group will ultimately pull down the social and economic level of the American people.

To meet this situation is a tremendously difficult task. The farm people cannot meet it unless they organize themselves and school themselves most thoroughly to play the great game of business. They must play it as effectively as the urban groups play it. The urban groups have a long lead on them, because they are already highly organized, splendidly schooled, and skillfully led. The farm group must catch up. To do this they must first catch the vision and then provide themselves with schools adequate to the task.

# CHAPTER XVII

## THE NEW TASK OF THE FARM-LIFE SCHOOLS

**The new task: preparation for economic citizenship.** Changing conditions in rural America have laid a new task on the farm-life schools. This new task is the task of preparing the rural people for the first time to take an intelligent part in organized economic life. It is the task of preparing them to do a thing which they have never done before: make successful use of group action in conducting coöperative enterprises.

**The farmer now a member of both the political and the economic democracy.** The farmer today, like every other citizen, is a member of certain organized political democracies known as the community, the state, and the nation. Henceforth he is to be a member also of certain organized economic democracies known as farm coöperatives.

**The old task: individual development and preparation for political democracy.** Up to the present time the task of the farm-life schools has been, first, to develop the farm youth as an individual and, secondly, to prepare him for intelligent participation in the political democracies of which he is a part. These two types of preparation are believed to be desirable for all American children, country and city child alike. All should be so well prepared that they can enter into life successfully wherever their lot may be cast.

**The new task: preparation for economic democracy.** But the changing conditions of farm life today have brought a new need to the rural youth. He must now learn to make a success of coöperative farm enterprise; hence the farm-life school of the future must not only do what the school has done in the past,— namely, develop the farm youth as an individual

and prepare him for intelligent participation in political democracy, — but it must also prepare him for equally intelligent participation in the economic democracy of which he will be a part.

**Special need of the rural youth for preparation.** The special need of the rural youth for preparation for economic

FARMER MEMBERS OF A COÖPERATIVE LIVE-STOCK ASSOCIATION ASSEMBLING THEIR HOGS FOR SHIPMENT AT MAGNOLIA, ARKANSAS

The farm coöperative is an economic democracy controlled from the bottom up on the one-man-one-vote principle. (From Mears and Tobriner's "Principles and Practices of Coöperative Marketing")

democracy arises from the fact that farm coöperatives are economic democracies controlled from the bottom up on the one-man-one-vote principle. Each farmer remains an independent manager of his own farm, and all farmers participate on an equal basis in the management of the economic affairs of the group. If the affairs of the group are to be most effectively managed, each farmer must play his part intelligently.

By way of contrast, the city youth has no such urgent need for preparation for economic democracy. The economic groups in urban life are organized as corporations which are not democracies, but which tend more and more to place complete control of the affairs of the group in the hands of a few individuals at the top. As the problem of making a success of the operation of a corporation lies to such a small extent in the hands of the shareholders, the question of their educational preparation for this task is comparatively unimportant. In the case of the farm coöperative the educational preparation of the member is all-important.

**Objectives of the farm-life schools.** From this time forth the farm-life schools will have three great objectives to accomplish. These are (1) to develop the farm youth as an individual, (2) to prepare him for intelligent participation in political democracy, and (3) to prepare him for equally intelligent participation in economic democracy.

**The old curriculum.** The curriculum which has been developed in the schools of America for the purpose of (1) arousing and shaping the individual powers of the child and (2) preparing him to take an intelligent and helpful part in political democracy may be briefly summarized as follows:

1. *Preparation in the fundamental skills:*
   - *a.* Skill in reading
   - *b.* Skill in using the English language
   - *c.* Skill in the processes in arithmetic
   - *d.* Skill in spelling
   - *e.* Skill in writing
2. *Preparation in the fundamental sciences:*
   - *a.* Geography
   - *b.* History
   - *c.* Civics
   - *d.* Sociology
   - *e.* Biology
   - *f.* Physics
   - *g.* Chemistry
   - *h.* Mathematics
   - *i.* Commercial law
   - *j.* Agriculture

3. *Preparation in the arts:*
   - *a.* Music
   - *b.* Literature
   - *c.* Drawing
   - *d.* Painting
   - *e.* Manual arts
   - *f.* Household arts

4. *Preparation for health:*
   - *a.* Health of the individual
   - *b.* Health of the community

It is generally accepted that the subjects named above have come to be included in the curriculum for the purpose of developing the powers of the individual child and of preparing him to coöperate more intelligently with his fellows in our political democracy.

**The new subject in the curriculum.** In order that the farm youth may learn to coöperate intelligently with his fellows in economic democracy a new subject must be included in the curriculum of the farm-life schools. The new subject may be called economic citizenship. This new subject strikes its roots into the old curriculum in at least seven points. These are economics, sociology, civics, history, commercial geography, commercial law, and agriculture. The new subject makes use of these seven subjects in preparing the pupil for intelligent participation in coöperative farm enterprise.

**Preparation for coöperative farm enterprise.** The more specific preparation for intelligent participation in coöperative farm enterprise includes the following:

1. The fundamental principles of coöperative organizations and the methods of operation by which they achieve their purposes.

2. The history of coöperative enterprises among the rural people of Denmark, Holland, Norway, Sweden, Finland, Ireland, Australia, New Zealand, Canada, and the United States.

3. The various forms which coöperative farm enterprises take: coöperative production, coöperative marketing, and coöperative buying.

4. Methods of organizing coöperative associations.

5. The part played by the commodity as the basis of organization; various types of "set up."

6. Business practices involved in coöperative marketing: assembly, grading and quality, storage, financing, transportation, price determination, pooling, merchandising, advertising, and publicity.

7. Articles of incorporation, by-laws, marketing contracts, and voting.

8. State and national laws dealing with farm coöperatives and the most important court decisions covering these.

9. The coöperative virtues which must be developed in the citizens to make a success of organized economic democracy.

10. Building up the morale of the coöperative group — learning to sing together, to play together, and to work together as a basis for group action.

11. Arousing in the *keepers of the land* a profound sense of the importance of their service to the nation and of lifting themselves by education and by organization to the point of highest effectiveness in performing this service.

**Economic democracy more difficult.** Economic democracy is more difficult to operate than political democracy. The farm people must face this fact squarely and prepare themselves accordingly. It is more difficult to operate economic democracy successfully because it must be operated always in the face of the keenest kind of opposition. This opposition is set up by the highly organized industries of the cities with which the farmers exchange products. Political democracy does not have to face such opposition; it may run at a low stage of efficiency and survive. Not so with economic democracy. Economic democracy on the farm must be operated at a high stage of efficiency to play the game of business successfully against the highly organized industries with which the farmer exchanges products, or it must perish. This game of business is a most exacting game; thousands who attempt to play it

fail. Unless the membership of the farm coöperatives is intelligent, thoroughly informed, and zealously devoted to the task, the attempt to win the game of business through organized economic democracy will fail.

**More demanded of the citizen.** Economic democracy makes greater demands upon the individual citizen than does political democracy. By making greater demands it tends to develop a higher type of citizen. Economic democracy provides the most exacting training school for citizenship yet devised. It makes the most exacting demands upon each individual member. It must develop a high type of membership or fail. For example, a farmer will not be admitted as a member of a coöperative credit circle until he has established the habit of paying his debts scrupulously as agreed. If the credit circle were less exacting it would fail. The virtues upon the scrupulous practice of which the success of economic democracy depends are these: trained intelligence, faith in one's fellows, willing obedience to self-chosen authority, scrupulous honesty, loyalty to principle, constant vigilance, and high courage. The development of these virtues in a people makes of them the highest type of citizens both in political and in economic democracies.

**Difficult problems of school administration.** The new task which the development of economic democracy places upon the farm-life schools presents some very difficult problems for school administrators to solve. Among these problems are the following:

1. *More time demanded by the enlarged curriculum.* To accomplish the new task without neglecting the old will necessarily require more time. This time may be secured in three ways: (1) by cutting out deadwood from the present curriculum, (2) by extending the number of years which farm youth attend the public school to the full twelve-year standard, and (3) by some such plan of continuation schools as is used in Denmark. There the young farmers from eighteen to twenty-five or more

years of age attend continuation schools during the five winter months in which their farm work is the least pressing.

2. *The difficulty of obtaining competent teachers.* The inspiring, competent teacher who has a broad contact with farm life is a more important factor in meeting the new need successfully. Without such inspiring, experienced leadership education for coöperative group action must be unduly delayed. The great importance of the teacher in shaping the affairs of men is expressed by H. G. Wells as follows:

> No conqueror can make the multitude different from what it is; no statesman can carry the world affairs beyond the ideas and capacities of the generation of adults with which he deals; but teachers — I use the word in the widest sense — can do more than either conqueror or statesman; they can create a new vision and liberate the latent powers of our kind.

Teachers are needed in the American farm-life schools who can create a new vision of rural life, develop the coöperative virtues necessary to economic democracy, and liberate the latent powers of the farm group. Such teachers are difficult indeed to secure in America today.

Probably the most inspiring and successful rural-life leaders found in the schools of any country at present are found in the folk high schools of Denmark. In many cases the head teacher is a farmer as well as a teacher. Often this teacher-farmer is also an officer in the local farm coöperative. Out of his broad experience he can point the way to success in coöperative rural life with authority and power. The more successful the coöperatives are made through the addition of young farmers prepared to take an intelligent and zealous part in them, the more successful is this rural-life leader as a teacher, as a farmer, and as an officer in the farm coöperatives. The teacher in the Danish folk high school is inspired by a vision of noble living on the land; he is quickened into untiring efforts by the increased

[1] H. G. Wells, quoted in American educational journals.

YOUNG MEN AND WOMEN PREPARING AT THE IOWA STATE TEACHERS COLLEGE TO TEACH IN FARM-LIFE SCHOOLS

prosperity of his people as a result of the development of successful coöperative endeavor.

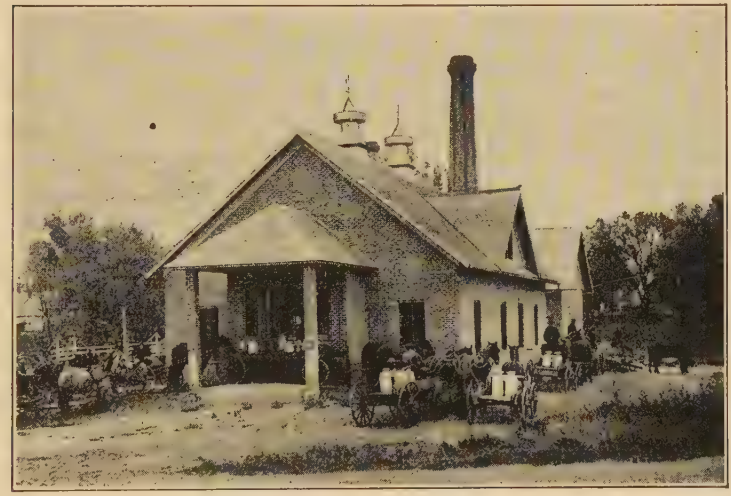
So highly motivated is the work of the teacher and the young farmers who form the student body in the Danish folk high schools that it is unnecessary to assign any lessons or to give any examinations. The interest in the success of organized economic democracy is so great that it becomes the dominant note of the school. One of the difficult problems of the farm-life school in America at present is to find teachers with such clear vision, such broad experience as farmers and coöperators, and such keen interest in rural life that they too can make the success of organized economic democracy the dominant note of the school.

3. *The difficulty of holding the most competent young people in the farm group.* So long as the better-educated and more competent young people can find more attractive opportunities and more desirable living conditions elsewhere they will be loth to remain in the farm group. If they do not expect to remain in the farm group, it is difficult for them to enter into preparation for coöperative farm enterprise with all earnestness and zeal. Until coöperative enterprises grow strong enough in America to provide business opportunities and conditions of life on the farms which are equally as attractive as those to be found elsewhere, it will be difficult to interest a fair share of the most capable young people in joining whole-heartedly in the preparation for organized rural life. The solution of this problem seems to have been found by the Danes. They have succeeded in interesting a fair share of the most capable young people in farm life by making organized agriculture the most prosperous, the most notable, and the most satisfying of occupations.

4. *The difficulty of developing the morale of rural life.* The most difficult of the problems confronting the farm-life schools in America today is the problem of building up the morale of the farm group to the point where farmers can stick together in successful coöperative enterprises and will set out deter-

minedly under a full head of steam to help themselves. The Danes have much to teach us on this point. The schools of the Danish farmers point the way. H. G. Foght says of them:

To produce much from the soil is but one side of agriculture; to be able to take these products and place them upon the world markets to the best advantage is quite another matter. But the



A TYPICAL COÖPERATIVE CHEESE FACTORY — A LITTLE ECONOMIC DEMOCRACY

From Mears and Tobriner's "Principles and Practices of Coöperative Marketing"

Danish farmer has solved both the production and the distribution sides of his agriculture. And no one thing has played a greater part in the agricultural prosperity than the spirit of coöperation which prevails on every side. . . . The schools, and especially the folk high schools, teach a mutual trust and confidence which have made possible this remarkable development in coöperative enterprise. . . . The mutual trust that the schools teach has made the entire movement of coöperative enterprise in the kingdom possible.[1]

[1] H. G. Foght, Rural Denmark and its Schools. The Macmillan Company. Reprinted by permission.

**The present emergency in America.** The decline in the buying power of the farm in America and the threatened decline in intelligence among rural people have created an emergency. To help to meet this emergency it is highly desirable that the farm-life schools begin their new task vigorously and at once. It is not enough to teach the principles of coöperative farm enterprise as we now teach economics, civics, and history; this new subject must be so motivated that the young people who are just stepping out of the farm schools into farm life will immediately begin to participate in carrying the principles into successful action. It must be made so vital and so dynamic that it will begin immediately to function in rural life.

At best it takes time to bring about improvement in conditions through the education of the youth. Time is required in matters of individual advancement, such as improving production on the farm, but more time is required in matters depending upon group action. The individual can proceed with improvements in production, for example, as soon as he desires to do so, without let or hindrance from anyone else; but in any matter depending upon group action the more progressive individual must wait until his fellows are ready to move with him. Similarly, the people of the more progressive farm community cannot move forward in a large coöperative undertaking until the people in other farm communities are ready to move forward with them. Hence it takes time to bring about improvement through the education of the youth for group action on a large scale.

It is highly desirable that the farm-life schools should begin at once and vigorously to meet the new task which changing conditions have laid on them. The time has arrived when farm people must be prepared to engage successfully in coöperative enterprises. The rural youth must now be made ready not only for successful participation in political democracy but for equally successful participation in economic democracy. This is the task of the farm-life schools.

# CHAPTER XVIII

## IMPORTANT FACTORS IN THE ORGANIZATION OF ADEQUATE FARM-LIFE SCHOOLS

When a farm-life school is to be organized, three questions of fundamental importance arise at once: (1) To be of largest service to the rural community shall the school be located in the open country or in connection with a rural town? (2) How large shall the school district be made in order to be able to maintain the most efficient school? (3) What are the factors that limit the possibilities of the school district which is being organized?

The rural town and the territory that trades with it is the most natural unit in which to organize rural life. As the co-operative mode of agriculture becomes more highly developed, the rural town becomes a part of the coöperative organization. Most of the people of the town pass into the employ of the farmers' coöperatives in the various grading, manufacturing, and packing processes involved in coöperative merchandising of farm products. The town's first interest, then, is the success of coöperative agriculture. When the school is fitted to this natural unit and its district is made to coincide with the natural zones about the rural town, the school is strengthened and the unit of organized rural life is also strengthened. A large proportion (80 per cent) of the farm-life schools in the United States have been located in or near rural towns, and the tendency is toward making the school district coextensive with the land foundation of the town.

**Shall the farm-life school be located in the open country?** However, some advocates of the farm-life school maintain that the schoolhouse should be located in the open country rather

than in connection with any town. They argue that one of the chief functions of the school in a rural community is to develop in the farmers' children a "rural-mindedness"; namely, a love for farm life which is to be engendered through repeated emphasis on the possibilities of rural life and how these possibilities may be realized in a larger way by educated farmers.

AN IMPORTANT INDUSTRY

Twenty thousand cans of walnut meats are packed daily in this farmers' coöperative — the California Walnut Growers' Association. (From Mears and Tobriner's "Principles and Practices of Coöperative Marketing")

Rural-mindedness as here used includes also the development of a class consciousness to the extent that farmers will seek more effective means of coöperation on a large scale for the improvement of their economic life. It is argued also by those who would place the farm-life school in the open country that a better moral tone can be maintained in the school thus located than can be maintained in a school located in connection with a rural town.

**More farm-life schools located in connection with country towns.** On the other hand, a large majority of the advocates of the farm-life schools favor locating the schoolhouse in or near the rural town and making the school a part of the unit of organized rural life about the town. They argue that the children of the rural town as well as the children of the farms need to be made acquainted with the problems and possibilities of rural life; that the people of the rural towns are as much concerned as are the farmers in developing more effective coöperative agriculture on a large scale for the improvement of the economic life of the rural community. They argue further that it is the concern of the entire community to maintain decent moral standards, and that the better school is one of the most effective means of cleaning up any unsatisfactory conditions existing about the rural town. They point out that the best roads in the community usually lead to the town, greatly facilitating the transportation of the farm children there; that the rural town is the center of population, and that by locating the schoolhouse there a smaller fraction of the pupils enrolled in the school will need to be transported to school, and the property of the town will help to pay the cost of transportation; that as the rural town is the natural business and social center of the rural community, it is easier to secure competent teachers who are willing to live there than it is to secure teachers who are willing to live in the more isolated rural communities when the school is located in the open country.

This group maintains that the farm-life school district should be located in the open country only when the territory to be served is too far distant from a rural town to permit of transportation or is cut off by natural barriers or lies adjacent to a city.

There is marked tendency at present to follow the latter view: to locate the farm-life school in connection with a rural town. There are those who believe that whenever a town is to be included in the school district, the size of the town becomes a

significant factor for consideration. They argue that inasmuch as the farm-life school is a rural-community school, it should not be located in a town so large that the people have lost their sense of obligation to the rural community; that the farm-life school located in a town so large that the people of the town feel no direct interest in the rural life about them soon loses sight of the distinctive purpose for which it was established.

Others believe the size of the town to be a negligible factor. They would have all the farm land within the distance that permits of transportation united for school purposes with the most convenient town or city, no matter how large it may be. They argue that a good school is thus secured for the farm children at the lowest possible per capita cost; that it is the business of the public school to equip all the children with the common tools of learning, which are the same for children everywhere whether they live in cities or in rural communities. They do not agree that the farm-life school has any responsibility in training the farm youth to play the great game of coöperative agriculture successfully.

At the present time the great majority of the farm-life schools in the United States are centered about rural towns ranging in population from a few hundreds to two or three thousand. Rarely is a town included in the farm-life school district which has a population greater than four thousand. Formerly it was thought that a town with a population of two thousand was too large to further the best interest of the farm-life school in its efforts to build up the life of the rural community about the school. We now understand that in the largest sense the interest of people living in rural towns with a population up to two or three thousand are predominantly agricultural. The prosperity of the farm town depends directly upon the prosperity of the farm people about it. In its census the United States government classes all persons living in towns with a population of twenty-five hundred or less as part of the agricultural population. As better coöperation between

DESERTED SCHOOLHOUSES

These are eight of the eighteen little rural schools which were closed and their resources joined with the schools of a town of 2000 population in one large, strong district having pupils enough, taxable property enough, and people enough to provide a first-class modern school. This district, which is at Tipton, Iowa, contains a little more than two townships of farm land

the town and its farm territory becomes possible through a better understanding of the common educational and economic interests of the rural town and the rural territory about it, farm-life schools which are rural-community schools in the best sense will be organized about the larger rural towns.

**How large shall the school district be made?** Up to this point we have been discussing the question of the best place to locate the farm-life school. Now let us examine the second basic question; namely, How large should the school district be made? The student must bear in mind that the express purpose of bringing the little one-teacher rural schools together into a larger school is to secure the factors which make possible the organization of a strong and efficient modern farm-life school.

Broadly speaking the farm-life school should be made sufficiently large: (1) *to provide children enough to fill twelve grades to the point of pedagogical and economic efficiency*; (2) *to gather the children from a wide agricultural area to sing together, to play together, to study together, and to learn to work together*; (3) *to provide as far as possible the taxable resources sufficient to support an efficient modern school*; (4) *to provide enough patrons affiliated with the school to give wide training in the habits of coöperation and to give the enthusiasm and momentum of numbers to community undertakings organized about the school.*

**Economic efficiency.** Let us first consider the size of the school district in terms of the number of pupils necessary for pedagogical and economic efficiency. Now that the farmers are attempting to pay for modern schools out of the meager returns of agriculture it is necessary to reduce the per capita cost to the lowest possible point. It is important that each dollar spent for instruction should be made to do its full duty. The small number of pupils per class in the small school makes the per capita cost of instruction in such schools very high. The larger the number of pupils taught in each class by each teacher, the less the cost of instruction will be per pupil.

**The desirable number of pupils per teacher.** If the classes are made too large, the teacher cannot give the best service to each pupil and the quality of instruction will be lowered; if the classes are too small, the cost of instruction per pupil will be too high. The exact number of pupils per teacher at which the highest point of efficiency is reached is not at all certain. However, it seems that the highest point of economic efficiency compatible with pedagogic efficiency is certainly not reached with less than twenty pupils per teaching group; probably not with less than thirty. There is much reason to believe that the group of thirty pupils furnishes a very desirable balance between the pedagogical factor and the economic factor in seeking the most desirable number of pupils per group. For reasons of economy it is not desirable to have less than ten pupils per group.

**A more effective organization permitted by an increased number of pupils.** We must bear in mind the practical problems of organization which must be met in the highly developed modern school. The classification of pupils may be on the basis of intelligence or on the basis of achievement; it will be greatly influenced in either case by the number of pupils available. There must be enough pupils available to permit of effective sorting into groups for the purpose of instruction. The larger the number of pupils, the more readily they may be separated into groups of efficient working size composed of individuals having the same group characteristics in common. Such grouping makes possible the most efficient instruction in the modern school.

**A highly organized twelve-year school.** To illustrate what is meant here by a highly organized modern twelve-year school, we will use the schools of Port Arthur, Texas. In this school system two specialists are employed to keep the pupils properly classified in the various achievement groups into which each grade is divided. As many as ten groups of varying degrees of ability are maintained in the seventh grade; this is the

largest number in any one grade. An effort is made to discover the native bent of each pupil and to classify him, for a part of his work at least, in special groups where his most promising capacities may be carefully developed along with those of other pupils having similar talents. To a considerable extent each pupil is permitted to select the subjects he is to pursue, provided he can give satisfactory reasons for his selections. About half the teachers are employed in giving the usual formal subjects; the others are engaged in developing the special capacities of each child.

Formal classes in reading are discontinued after the fifth grade, and all pupils are sent to the library to select from books and current periodicals those things which they like most to read. All take part together in community singing and musical appreciation, but are divided into small groups for their special lessons on the various band or orchestral instruments or for singing lessons or glee-club work. All pupils are given an opportunity to hear the talks on vocational guidance, which are given by persons who have been successful in the different vocations. The pupil is then encouraged to follow his native bent in shop or laboratory or library or in the music rooms or art rooms. Much use is made of moving pictures and lantern slides in visual education, a special teacher being employed for this work. The pupils spend about one fifth of their school time in activities that have to do with developing vigorous health. Free play, exercises in posture, and health inspection occur regularly each day. Swimming and gymnastic periods are as regular a part of each child's daily program as are reading and arithmetic. Each pupil is required to take two baths a week at the school and to use the toothbrushes provided by the school. The school doctor, the dentist, and the nurse give attention to the health of each pupil.

In order to permit of such a high state of organization without prohibitive cost per capita, it is evident that a large number of pupils must be enrolled. If like facilities are to be enjoyed in

the farm-life school, the district must be made large enough to include in the neighborhood of one thousand children.

It is worthy of note that all the children living within a radius of eight or ten miles of the city of Port Arthur are transported by motor truck to take advantage of these modern schools. It is probable that in the future the better farm-life schools will seek to make their districts large enough to include a sufficient number of pupils to permit of the organization of the school for the most effective instruction.

**The minimun number for efficient organization in a twelve-year school.** From the standpoint of the cost of instruction it is not desirable to have less than ten pupils in an instructional group. Taking ten pupils, then, as the minimum number desirable in the group or grade, we find that the minimum number to fill twelve grades would be one hundred and twenty. However, we must make allowance for the fact that the number of pupils in each grade tends to decrease from the first year to the twelfth. Owing to natural causes the number reaching the twelfth grade is usually much smaller than the number that entered the first grade together. Making allowance for this and for the usual variation in numbers in the several grades, we find that one hundred and fifty pupils is the minimum which will permit the organization of an efficient modern twelve-grade school on the most simple plan; in fact, when the total enrollment does not exceed one hundred and fifty it is often difficult to maintain a sufficient enrollment in the upper four years of the high school to keep the per capita cost of instruction down to a reasonable figure.

On the minimum basis laid down above — one hundred and fifty pupils for a twelve-year school — it is feasible to employ seven teachers. Under the usual arrangement four teachers are assigned to the eight elementary grades, each teacher having two grades in her room. Three teachers are assigned to the work in the four-year high school, one of these giving part time to the supervision of the school. Under the conditions of this

simple minimum organization good teaching can be done in the common branches. However, not much opportunity can be given for providing special teachers for special subjects or for providing effective supervision. A limited opportunity is given to develop groups of pupils such as glee clubs, orchestra, band, literary societies, boys' and girls' clubs, playground games, and athletic sports.

**Increased efficiency of organization permitted by a larger number of pupils.** As the school district is made large enough to include from three hundred to one thousand pupils the possibilities of modern organization for effective instruction increase with the increase in the number of pupils. The larger number of pupils makes possible a much more desirable division of labor among the increased number of teachers. A better organization of classes becomes possible; namely, one grade or achievement group to the teacher in the elementary grades, and departmental work for the various groups in the middle grades and the junior and senior high schools. A larger number of pupils also makes possible the employment of special teachers in vocational agriculture, home economics, manual-training and machine-shop work, music, art, physical training, athletics, and so on. It also makes possible the formation of stronger musical, literary, and athletic organizations among the pupils. Some farm-life schools conveniently located with reference to one another whose districts do not provide children enough for the most effective organization pool their resources and employ special teachers in common, the teacher traveling a circuit which brings him to each school two or more times a week. Good results are being secured in Smith-Hughes agricultural courses where two farm-life schools employ the same instructor, one school for the forenoon, and the other for the afternoon. However, it must be said that the efficiency of the farm-life school is increased by making the district large enough to include within the resources of one school those factors necessary to the organization of a modern school.

**Potentialities of the district not measured in square miles.** In discussing the most desirable size for the school district we have stated the case up to this point in terms of the number of pupils to be included within the school rather than in terms of the number of square miles of territory to be included. The number of children is the first fundamental factor, because without a sufficient number it is impossible to organize a good modern school. We now turn to the second fundamental factor, that of the proper financial support of the school, and we will discuss the most desirable size of the school district not in terms of square miles of territory, but in terms of the taxable valuation included within the district.

**Meeting the increased cost of the better school.** In many of our states the financial support of the school is still left largely to the local school district, although there is now an increasing tendency to widen the taxing area for the support of schools to include the county as a unit, and in some states to raise funds for the part support of schools by taxation on a state-wide basis. In those states where school support is still left largely to the local school district it is important that the school district be made large enough to contain sufficient taxable resources to support a modern twelve-year school. It costs more to provide good teachers than poor ones; it costs more to provide twelve years of schooling than to provide eight years; it costs more to provide modern school buildings, modern equipment, and community-service rooms than it does to provide the old type of rural schoolhouses; it costs more to provide adequate supervision than it does to get along without it. The school district should be made as large as the circumstances will permit. The larger group of pupils will permit more economical arrangement of class groups to reduce the per capita cost of instruction.

Experience has shown that under the usual conditions existing in agricultural regions the taxable resources included within the school district will increase more rapidly as the size

of the district is increased than does the additional expense for teachers, housing, and transportation; in other words, the per capita cost of the school is decreased as the number of pupils is increased, and the school district usually shows a net gain financially when its boundaries are extended to the limits imposed by the possibilities of transportation. When the district is small, it has been found that the high per capita cost of teaching and the high per capita cost of housing the small school create such an overhead expense as to bear very heavily on the limited amount of taxable valuation in the district.

In this connection it should be remembered that the people of rural communities are often hypersensitive about the increase in taxes necessary to support the better school. The high prices they must pay for the goods they buy and the low prices they receive for the products they have to sell, leave them with a very slender margin to support their schools. In the past they have not become accustomed to investing much money in the education of their children. Habit is a powerful check, and the nerve to the taxpayer's pocketbook is always a sensitive one. To secure a better adjustment of the load of taxation for school support it is evident that in those states where the financial support of the school must be raised largely by taxation within the local school district it is desirable to extend the boundaries of the district to include as large taxable resources as is compatible with the satisfactory transportation of the pupils to the school.

The school district should be made large enough to provide adequate means of professional supervision. Only the larger districts are financially able to set the superintendent free from classroom instruction, thereby enabling him to give real supervision to the major activities that come under his direction. These activities are as follows:

1. Supervising the teaching throughout the school.
2. Keeping in touch with parents in matters of the intellectual and moral growth of their children.

3. Supervising transportation and keeping in close touch with drivers and with parents in matters of transportation.

4. Assuming general direction of the noon hour, including the lunch and playground activities.

5. Developing a course of study which will best fit the farm youth to play the great game.

6. Developing the educational spirit and ideals of the community, visiting in the homes to acquaint himself with basic conditions, linking the school with the activities of the agricultural community in which it has its setting, and fostering the educational leadership of the school in community affairs to the point of its greatest usefulness in the development of coöperative agriculture.

The school district should be made large enough to enable it to mobilize its taxable resources most effectively to pay for good teachers. If the number of pupils per teacher is increased to the maximun, the cost of good teaching per pupil is reduced to the minimum. A large, well-organized school is more attractive to the capable teacher than a small, poorly organized one. Good teachers may be secured for the large school at a lower salary schedule than will attract them to the small, poorly organized school. We saw in Chapter XIV that one of the reasons why the old one-teacher school in the little rural district is not adequate to meet the difficult educational task of the farm group is that it cannot command the services of the best teachers. The little rural district is financially unable to compete with the city districts in securing the most competent teachers for the school; consequently it should be made large enough to compete effectively.

The large school can provide a large, well-equipped community room in the school building more economically than can the small school. The cost of including such rooms in the plans for a small school building often adds materially to the expense of the building and to the overhead cost of the school. The larger the school plant, the smaller the proportionate cost

of adding the community rooms and the smaller the proportionate addition to the overhead expense of the school; the larger the school, the more readily the community room may be equipped with stage and scenery, motion pictures, musical instruments, play apparatus, and facilities for cooking and serving meals in connection with the regular organized work of the school; the larger the school, the more readily can special organizations, such as orchestra, band, glee clubs, play groups, and athletic teams, be developed and the broader the training in coöperative endeavor becomes through singing together, playing together, studying together, and learning to work together.

**In union there is strength.** We have discussed the farm-life school in terms of the number of pupils desirable and in terms of taxable resources and per capita cost. Let us now discuss it in terms of the number of people included within the district. We have learned by experience in America that we increase the possibilities of the success of any public enterprise by enlisting the interest, the sympathy, and the effort of a large number of people. Numbers give enthusiasm and momentum to a coöperative enterprise. The greater the number (provided they are properly organized and led), the greater the probability of success. The farm-life school is a coöperative enterprise for the education of the children of the farm; the purpose of this education is to prepare them to make a success of coöperative agriculture. The greater the number of people interested in this coöperative undertaking, the greater the probability of its success; the larger the number of people that can be included within the school district, the greater its potential power will be. It is as true today as in the period of the Revolutionary War, that in union there is strength.

The larger the number of farmers included in the school district, the more enthusiasm and momentum can be given to the farmers' organizations. The closer the relation between the farm-life school and the farm coöperatives, the more helpful it

is to both. Close coöperation should be maintained also with such general organizations as the Farm Bureau, the Farmers' Union, the Farmers' Equity, the Grange, and the farmers' community clubs. Education, trained intelligence, the systematic gathering and dissemination of facts, the art of clear thinking, and the habit of coöperation are necessary among the members of a farmers' organization if the organization is to develop real permanence and power. These the farm life-school, with its competent superintendent, its well-trained corps of teachers who have a sympathetic appreciation of country life, its twelve-year course of study, and its coöperative community spirit, is usually well fitted to give. A great deal of the community work of the schools can be most successfully carried on under the direction and leadership of the farm organizations of the community, and the community room of the farm-life school is the natural meeting place for these organizations.

Because of the advantages that accrue from larger, stronger school districts there is a marked tendency in the various states to increase the size of the districts. This is well illustrated by the change in attitude on this point which has occurred in Iowa during the last twenty years. Twenty years ago the farm-life schools that were being organized in this typical agricultural state of the Middle West usually served from sixteen to twenty-four square miles of land. As the advantages of the larger, stronger farm-life schools began to be apparent, many of the smaller districts began to increase their size, some doubling the number of square miles included in the district. The new districts organized from time to time in Iowa have shown a constant tendency to increase in size, such districts at present usually containing from thirty-six to seventy square miles of farm land. Often the district includes a town with a population of from six hundred to two thousand.

The farm land included in the Iowa districts usually supports four families per square mile. These families average

about five persons to the family. About one fourth of the farm population of the district is usually enrolled in the school.

The tendency to increase the size of the districts of farm-life schools is very noticeable in the Western states, where climatic conditions are conducive to good roads throughout the year. In western Kansas districts of one hundred and twenty-five square miles or more are in operation. In Colorado there are several school districts in mountainous regions containing from five hundred to one thousand square miles each. Many of the pupils ride twenty miles to school. In Utah, under the county-unit plan, all the high-school pupils from the southern half of Salt Lake County, which includes twelve towns and villages, are brought together in the high school at Sandy. In Montgomery County, Alabama, under the county-unit system, all the white children from the farms of the county are transported in thirty-four motor busses to fifteen well-located farm-life schools, the average length of routes being about twelve miles. It is probable that when the roads have been well improved school districts will be organized containing many more square miles of territory than it is customary to include in such districts at present. No doubt the present tendency to unite a number of villages and small towns in large, strong school districts will increase in the future because of the increased educational efficiency and the decreased cost per pupil resulting from the larger group.

**Limiting factors.** We have seen that a large school district, including many people and large taxable resources, is highly desirable from the standpoint of securing the best teachers, of making possible the most efficient modern organization of the school, of providing full-time professional supervision, and of bringing the enthusiasm and momentum of numbers to the support of the school and to the community activities organized about the school. We have seen also that a marked tendency to increase the size of school districts is discernible. Now let us examine the limitations which often prevent the

organization of the district on a basis large enough to provide all the important factors necessary to the development of the most successful school.

The most common limiting factors in the organization of the districts of farm-life schools arise out of the difficulties encountered in transporting the children to school over long distances. These difficulties vary widely in different localities, depending on the nature of the roads, the climatic conditions, the vehicles employed, and the efficiency of the drivers. In general it may be said that both roads and vehicles are now being improved rapidly every year, and that more capable drivers are being found or developed, as superintendents and school boards gain experience in this matter. This makes possible the lengthening of transportation routes. A good motor bus, a little improvement of the roads, and a competent driver make possible a route twice as long as the ordinary horse-drawn route. Thus it becomes feasible to increase the district to more than double its size. However, in some localities which are very sparsely settled, or where the taxable values are very low or the roads very bad, it is as yet impracticable to lengthen the routes sufficiently to include within the district children enough and taxable resources enough to permit of the organization of a first-class school. Other limiting factors may be stated as follows:

1. The proximity of other farm-life school districts or city districts often reduces the available territory below a desirable minimum.

2. In some instances the proper expansion of the school district is prevented by the proximity of a neighborhood controlled by some religious denomination which for selfish, sectarian reasons does not wish to coöperate in the development of a strong farm-life school.

3. In some cases the natural land foundation of the rural town in which the school is located is too small to include the factors necessary to the organization of a first-class school.

4. Physical obstacles, such as rivers, swamps, lakes, hills, or mountains, sometimes render difficult or impossible the formation of an effective district for the farm-life school.

5. An inadequate school building often proves to be a factor which limits the growth of the farm-life school. In many instances those who plan the school building do not estimate correctly the possibilities of the future growth of the school. They do not foresee that the increased educational encouragement and enthusiasm resulting from the organization of the farm-life school will grip and hold in school through the twelve years the type of pupils who in the past have commonly dropped out of the rural schools in the sixth, seventh, and eighth grades; that families with children to educate will seek homes in the district because of its superior advantages; and that by holding children in school longer and by attracting families with children to educate, the school, after it has been in operation for a few years, will often come to enroll double the number who were enrolled from the same territory previous to the organization of the farm-life school. After the school is an established success people living outside the district will often ask to be included in the district. Not foreseeing these things the school building is usually made so small that it hampers the future growth of the school.

6. The state of mind on the part of the people living on the outer margin of a desirable territory is often a very difficult limiting factor to overcome. These people fear the hardships of transportation that would be theirs until the roads are improved, and in many cases they are unwilling to coöperate in the formation of a large district which would necessitate the transportation of the children over a considerable distance. Fortunately, here and there on the outer margin of such territory public-spirited citizens appear who are willing to make the sacrifice as a contribution to the welfare of the whole group. They see that the educational facilities in rural communities for the next hundred years will be profoundly affected for good

or ill by the wisdom and courage with which the districts of the farm-life schools are laid out during the great formative period of the next thirty years.

**A state-wide plan of districting.** There is a growing need for a state-wide plan of mapping out the new school districts in the coming reorganization from the old rural schools to modern farm-life schools. As the number of these large schools increases they begin to crowd one another, and a struggle begins between adjacent centers for desirable territory. Some state-wide plan of distributing territory equitably among the natural centers in such a manner that no territory shall be left out is needed now in those states which have made the most progress in the organization of their farm-life schools.

Nebraska, by an act which went into effect in 1919, has taken the lead in making legal provisions for a state-wide plan of redistricting. Under this plan county committees, supervised by the state, block out the area of the county into proposed school districts. These districts do not close their rural schools and organize as larger units until such time as the people shall vote to do so. It is still an open question whether this plan, which seems so desirable on the face of it, will really promote the development of strong schools. If the committee is so wisely guided and so courageous that it will block out the districts on a scale large enough to furnish the factors essential to the development of full-standard twelve-year schools, and if a majority of the people can be made to see the wisdom of such a course and initiate action to put it into effect, splendid progress will result; if, on the other hand, the committee lacks experience to guide it through the difficulties that arise and lacks vision and courage to insist that the districts be made large enough to contain within their borders all the factors necessary to make standard twelve-year schools, the results will be disastrous indeed, fastening on the people of the state a host of crippled little districts which will act to prevent the organization of strong effective districts in the future. To organize

strong, efficient schools, it is necessary to provide (1) *children enough to permit of a twelve-year school efficiently organized for instruction,* (2) *taxable resources enough to make possible the employment of first-class teachers,* and (3) *people enough to bring the enthusiasm and momentum of numbers into the community activities developed about the school.*

These factors make possible the organization of modern farm-life schools able to train the youth of the farm for the great game. If the farm people are to meet their well-educated, well-organized, and well-led opponents of the urban communities with equal education, equal organization, and equal leadership, they must make use of good roads and the automobile to mobilize their spiritual forces; they must drill their youth in coöperative groups for coöperative agriculture.

The Danish farmers gain acquaintance with one another and training in the habits of coöperation by living close together in clusters of farm homes. The American farm youth must achieve this by coming together every day from a wide area to sing together, to play together, to study together, and finally to learn to work together in adequate farm-life schools. To be adequate these farm-life schools must fire the farm youth with the purpose to make coöperative agriculture the most important, the most prosperous, and the most influential occupation in the land.

# CHAPTER XIX

## THE LAND FOUNDATION OF THE MODERN RURAL COMMUNITY

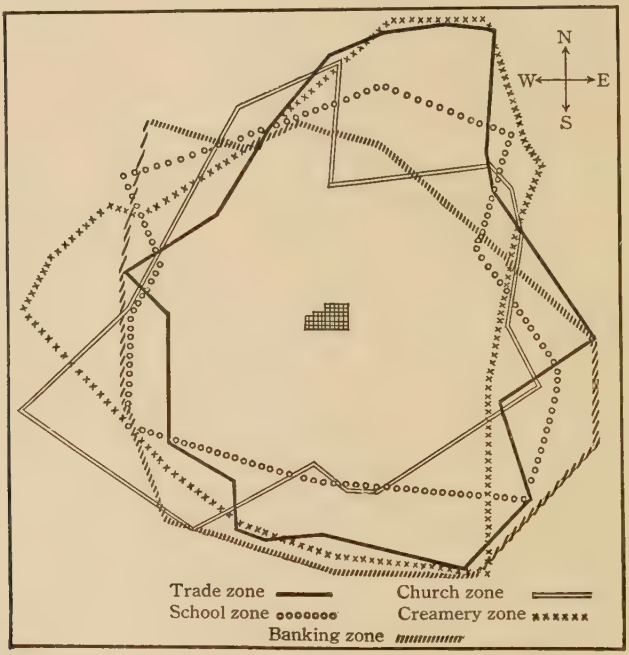
The farm-life school must be made an effective instrument of education. It is more effective when its district is made to coincide with the natural land foundation of the rural community. This is the geographical unit in which the people can most easily coöperate with one another. It is usually composed of a rural town and the trade zone surrounding it. By fitting the school into the natural community the best use may be made of the roads which lead into the trading center, and all the social and economic forces of the community may be made to contribute most readily to the success of the youth in drilling together to play the great game.

**The natural economic and social unit.** Let us study several typical rural communities in various states and note their structure. A study made by the writer of the trade and social-service zones about West Union (Iowa), Tyndall (South Dakota), and Holland (Texas) disclosed the facts set forth on the accompanying maps. These conditions are typical of the natural land foundations which support rural towns in those states where agricultural conditions are similar.

**An Iowa example.** West Union, Iowa, a rural town with a population of about two thousand, is located in an average farming community. Neighboring country towns are located twelve miles to the north, eight miles to the east, nine miles to the south, and six miles to the west. There are no cities in the county. The conditions surrounding West Union are representative of the conditions found throughout good farming sections of the Middle West, where the trading points are from six to

twelve miles apart and range in population from two hundred to two thousand. This is an average country town.

**Business zones.** The business zones about West Union are three in number: trade, banking, and creamery. Of these




WEST UNION, IOWA

This is a county seat of eighteen hundred population. It is surrounded by a typical Iowa farming community — about four families to the square mile of land. The distance from town to the farthest corner of the trade zone is eight miles

the trade zone is the most definite. The trade "watershed" usually lies about halfway between West Union and its neighboring towns. Often it is not sharply defined, as farmers living near the halfway point trade regularly in two or more towns. In some cases hilly country or improved roads in one direction tend to displace the trade watershed from the halfway

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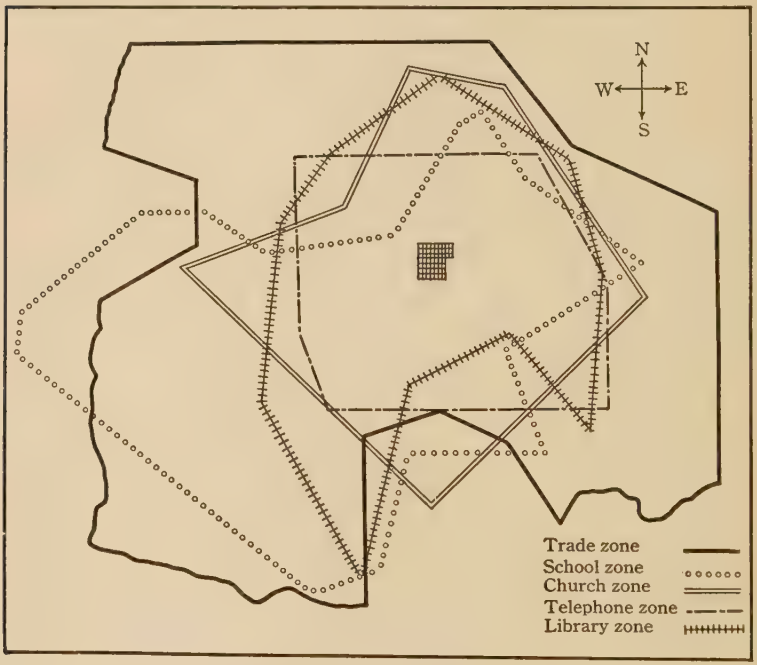
point. The banking and creamery zones coincide to a considerable extent with the trade zone. The banking zone is more regular in shape, as it is less affected by road conditions. The creamery zone, on the other hand, is rather irregular, being affected by road conditions and by the prevalence of dairy herds in some neighborhoods and their absence in others.

**The school zone.** The social-service zones about West Union are also three in number: school, church, and newspaper. They are less sharply defined than the business zones. The most definite of the three is the school zone. Since West Union does not have a farm-life school, there is not the community urge and enthusiasm found in such school districts to bring the older pupils from the farms into high school. Only a small proportion of the sons and daughters of the farmers living in the trade zone about West Union attend high school. The proportion is highest in the case of those families living within two or three miles of the town. The number attending high school grows smaller and smaller as we go farther from the town, and fades out between the towns into a neutral zone, from which practically no young people attend high school.

**The church zone.** The church zone is considerably extended to the west, owing to the fact that from that direction the Catholic Church centralizes its membership over a considerable territory. The farm families who attend the Methodist, Congregational, and Swedish-Lutheran churches are more compactly grouped about the town. Like the school zone, the church zone fades out between towns into a neutral zone, from which only scattering families are regular attendants at any church.

**Newspaper and library zones.** The newspaper zone is the largest and most irregular of the zones studied about West Union. The local newspapers are taken very generally by families living on rural routes out of West Union and by families living on rural routes out of towns within the county which have good railroad connections with West Union. Thus the

newspaper zone of this county-seat town covers a considerable part of the county. The subscribers are less numerous in the more distant parts of the county, and the zone is very irregular in some sections, owing to the lack of railroad connections with




TYNDALL, SOUTH DAKOTA

This is a county seat of fifteen hundred population located in a rather sparsely settled region. The distance from town to the farthest corner of the trade zone is about eighteen miles

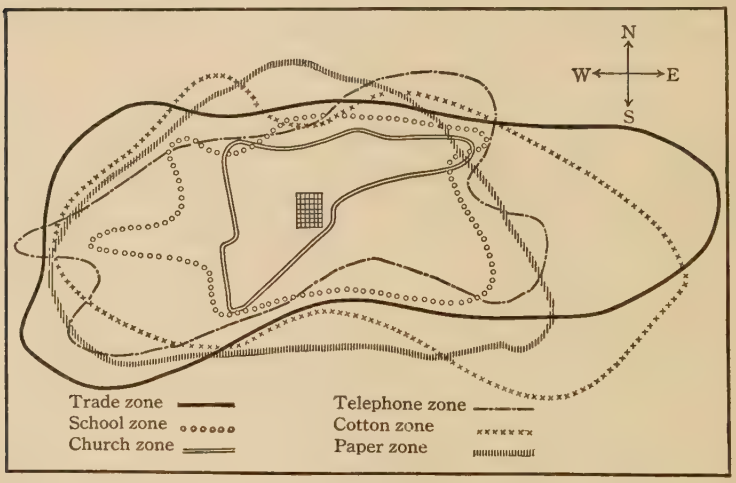
neighboring towns. Many rural towns support a public library, which serves the farm families of a considerable zone. None was found at West Union.

**The land foundation at Tyndall, South Dakota.** About Tyndall, South Dakota, a rural trading center with a population of fifteen hundred, there are two well-defined business

zones — trade and telephone — and three social-service zones — school, church, and library. A study of the map shows to what extent these services have been extended to the people of the farms. Here the various zones differ widely in size. As the country is rather sparsely settled and there are many good trading towns in the county, the trade zone about Tyndall covers almost the entire county. There are few high schools in the county; hence the Tyndall high school draws pupils from a greatly extended territory. Tyndall does not have a farm-life school. A part of the farm families scattered over the trade zone of the town give their children a high-school education. Some of the young people from the farms drive back and forth to high school; others board in the town. Only a few pupils from the more distant farms attend high school. The irregular course of a part of the southern and western boundaries of the trade zone is due to the fact that it is formed by the Missouri River.

**The land foundation at Holland, Texas.** Holland, Texas, a rural village with a population of six hundred, has three business zones — trade, telephone, and cotton-ginning — and three social-service zones — school, church, and newspaper. These zones are much narrowed north and south because of the proximity in these directions of other rural villages with well-marked land foundations. The zone from which cotton is brought to Holland for ginning is considerably extended east and west because of the lack of ginning facilities in these directions. The boundaries of the zones indicate by their shape that the roads do not run on section lines and make square turns, as is the case in the rural communities of the Middle West. There is no farm-life school at Holland to bring into high school all the youth of the farms. However, a considerable number of pupils from the less remote farms drive back and forth to the high school in the town. The nearer the farm is located to the town, the more usual it is for the children to attend high school.

**High-school attendance heaviest near the town.** In the study of school zones about country towns in various states it was found in each case that if the rural schools have not been consolidated, the number of pupils from the farms attending high school is greatest per square mile near the town and decreases toward the outer limits of the natural trade territory of




HOLLAND, TEXAS

This is a typical country trading point in the cotton country of Texas, with a population of about six hundred. There are five or six farm families to the square mile. The zones are narrow from north to south because of the proximity of other towns. The distance from the town to the farthest extremity of the trade territory is about twelve miles

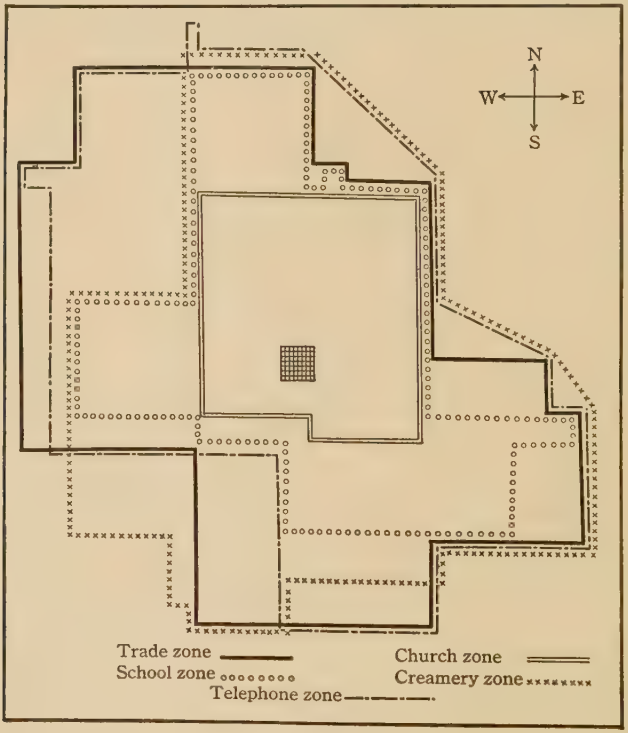
the town. At St. Paul, Nebraska, a town with a population of 1600, the natural trade zone covers 109 square miles. From the half of this farm territory nearest the town there were 24 high-school pupils and from the outer half only 11. At Grundy Center, Iowa, a town with a population of 1700, the trade zone covers 115 square miles. From the inner half of this territory 50 farm pupils attend high school and from the outer half only 18. At Toulon, Illinois, a town with a population of 1200, the

natural trade territory covers 121 square miles. From the inner half of this territory 68 pupils attend high school and from the outer half 40 pupils. The tendency in the consolidated school district where the pupils are transported to school is to encourage the children from all the farms within the district, those remote from the school as well as those near it, to attend high school.

**The land foundation of farm-life school.** At Dunkerton, Iowa, a rural village with a population of three hundred, there are three well-marked business zones — trade, telephone, and creamery — and two social-service zones — school and church. The size and the limitations of these zones are clearly shown on the map. These zones are more similar in size and shape than those of any of the other communities studied above. They are limited on the northeast by a river without satisfactory bridges and on the southwest by a church settlement. The people of this church settlement go to another town to trade with merchants of their own denomination, and to a considerable extent they send their children to schools supported by their denomination. The farm territory about Dunkerton is consolidated with the farm village in a modern farm-life school. The schoolhouse is located on the edge of the village. An excellent twelve-year school is maintained. Practically all the farm youth living in the district attend the school. Here and there a pupil from a farm which lies outside the consolidated school district but within the trade territory attends the school as a tuition pupil. As soon as the outlying roads are improved, the school zone about Dunkerton might be extended to the limits of the trade zone with advantage to all.

**The basic unit resulting from identical interests.** The business and social-service zones about these rural towns are the natural result of community needs which are common to the people of the rural town and to the people of the farms of its trade territory. The grocery stores, dry-goods stores, clothing stores, drug stores, and hardware stores of these rural towns

give equivalent service to the people of the town and to the surrounding farms. The banks give identical service to meet the needs of the people of the town and the people of

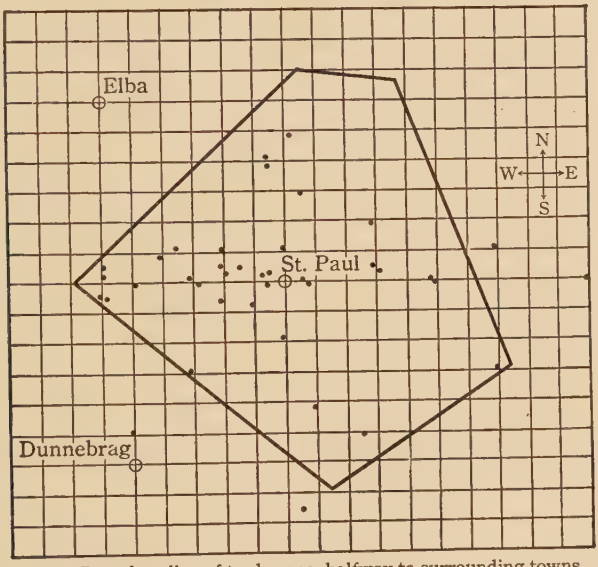



DUNKERTON, IOWA

This is a consolidated school district surrounding a country village. There are about four families to a square mile. The northwest corner of the trade territory is five miles north and three miles west of the town

the farms located in the banking zone about the town. The local newspaper serves both the people of the town and the people of the farms. This is to some degree true of school and church. The physician, the lawyer, the postmaster, the blacksmith, the dressmaker, the milliner, the garage me-

chanic, the filling-station keeper, and the station agent of these rural towns serve the needs of both the people of the town and the people of its farm trade territory. Thus it is seen that the



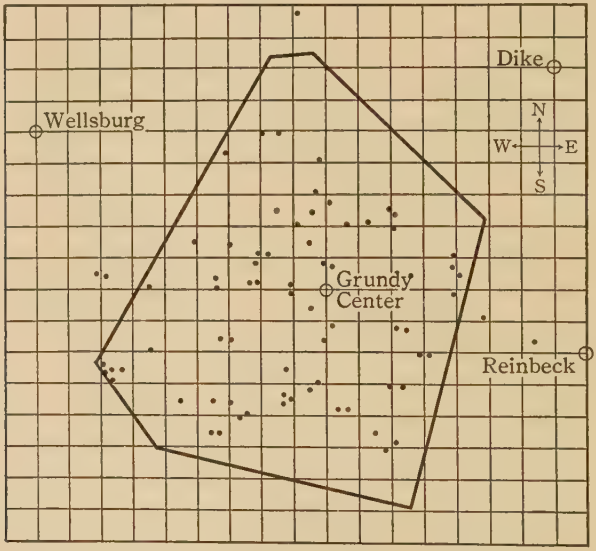

Boundary line of trade zone, halfway to surrounding towns.
Squares one mile

ST. PAUL, NEBRASKA

This town has a trade zone of one hundred and nine square miles. The rural school districts in this trade territory have not been organized into a consolidated school district. The farm children attend high school in St. Paul as tuition pupils. From the inner half of the trade zone twenty-four farm children attended high school in St. Paul in 1923; from the outer half of the trade zone only eleven farm children attended high school. From widely scattered farm territory which lies outside the trade zone of St. Paul, and which is served by small trading points without high schools, twelve farm children were enrolled in the St. Paul High School in 1923. The dots show the location of the farms from which country children attend the town high school

people of the town and the people of a rather definite zone of farm land surrounding the town are bound together by natural ties of common social and economic interests. When these

interests are served well for one, they are served well for all. The people of the country town and the people of the farms within its business and social-service zones thus form a natural




Boundary line of trade zone, halfway to surrounding towns. Squares one mile

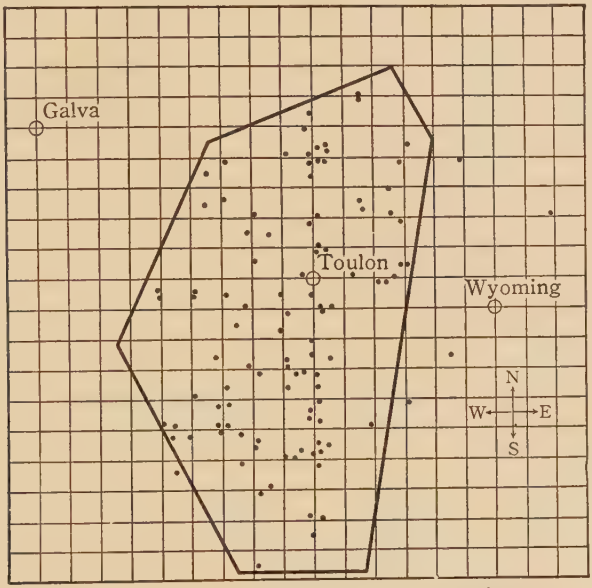
GRUNDY CENTER, IOWA

This village has a trade zone of one hundred and fourteen square miles. The rural school districts in this territory have not been consolidated. They pay the tuition of those students from the farms who attend high school. From the inner half of the trade zone fifty farm children were attending high school in Grundy Center in 1923; from the outer half only eighteen pupils. Eight farm pupils attend the Grundy Center High School from beyond the limits of its trade territory. The dots show the location of the farm homes from which pupils attend the town high school

rural-life unit which is the basic unit of modern organized civilization upon the farm lands of the United States.

We have seen how the rural towns serve the people of the farms which are located in their business and social-service zones. Now let us see what this land foundation in turn does for the rural town.

**The country town dependent on its land foundation.** The business of the rural town grows up out of its own zone of farm land, very little business being drawn from other country




—— Boundary line of trade zone, halfway to surrounding towns. Squares one mile

TOULON, ILLINOIS

This village has a trade zone of one hundred and twenty-one square miles. The rural school districts in this trade territory have not been organized into a consolidated district, but a part of them have been organized into a union high-school district with Toulon. From the inner half of the trade zone sixty-eight farm children attended the Toulon High School in 1923; from the outer half forty pupils. Four farm pupils attended the Toulon High School from beyond the limits of its trade zone. The dots show the location of farm homes from which pupils attend the town high school

towns and their trade territories. If the business of the town is to prosper, it is necessary first that the farmers on its land foundation be prosperous. This was proved conclusively by the experience of thousands of country towns in the best agricultural sections of the United States during the readjustment

period following the World War. When the business of the farmers in the trade zone of any country town was deflated and depressed, that town experienced a very decided business slump.

Galpin[1] points out clearly the dependence of the country town on its farm land foundation. He says:

As the cotton plant has its own land location and mechanical ground support, and by its system of roots and root-hair circulatory appliances reaches out into its own land area, absorbs and assimilates the soil nutrients from its own land, and *from no other*, so the retail cotton town, through its intricate business system, ramifies through its own land basis, gathers to itself the forces out of which rise stores, shops, residences, schools, libraries, churches, contracts, understandings, associations, monopolies; town manners, pride, caste, social power. Select a magnificent Gothic pine tree, under whose shade you have lingered, perhaps dreaming dreams of comfort and luxury. With spade and hoe and then with more delicate tools unearth its root system. Follow every tiny rootlet to its end. You will find out the source of the raw materials from which nature has reared the massive pine and made all its delicate cones and needles. The tree has grown out of the assets of its own land basis and *out of no other*. If the cathedral pine is not conscious clear to the tips of its sensitive root hairs of its relationship to land and to its own land, not conscious of its whole debt to its land foundation, it only shares the obtuse indifference of the spire-abounding town with regard to its own landed obligations.

The first rational step of every agricultural town is to unearth its business root system out into the land and discover its own land basis, map it, visualize it, and begin to take into its business reckonings its own rural relations.

Every gardener knows that a vigorous plant (rhubarb, for instance) rapidly draws the fertility from the soil of its land foundation. Unless this fertility is returned in some form the land foundation grows more and more impoverished until the

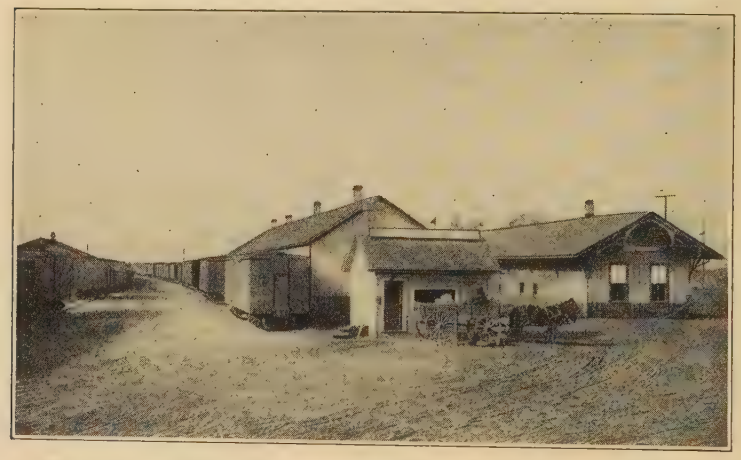
[1] C. J. Galpin, Rural Life. The Century Co., New York. Reprinted by permission.

plant can no longer thrive. When the plant can no longer draw sufficient nourishment from its depleted land foundation, its growth becomes less vigorous; it languishes and finally dies. The vigorous forest tree returns its leaves each year to enrich the soil of its land foundation. The prairie grass gives back each year its contribution to the soil from which it springs that its land foundation may be able to nourish even more luxuriant growths in the years to come. The country town will thrive more abundantly when the economic and social life of the people on its land foundation is prosperous. It is a foolish and shortsighted policy for the rural town to think and plan only on what it can take out of its rural life; it is a wise and farsighted policy to think and plan also on what should be put back into the life of the surrounding rural community to maintain its business and social possibilities at their fullest.

**The need of a unifying force.** A second relation between the rural town and the land foundation out of which it grows should be carefully safeguarded. We have all noticed that a vigorous tree growing out of a fertile land foundation languishes and dies when it is girdled by chopping through the bark around it. Girdling the tree severs the life channel between the tree and its land foundation. The thrifty tree, which was busily engaged in converting raw materials into things of life, beauty, and utility, ceases to function because it is cut off from its land foundation. The tree must die. When close, sympathetic coöperation between the country town and its surrounding zone of farm land is cut off, the town cannot flourish. Its business dies. Neither can the people of the farms of the surrounding trade zone thrive when they are cut off from the source of business and social service. As coöperative agriculture is developed a closer business relation will be desirable between the people of the farms and the people of the farm towns. The people of the farm towns will be largely in the employ of the farm coöperatives, carrying out the local processes of grading, packing, and manufacturing. The interests of the

people of the farms and the people of the towns will be identical. They will prosper together or fail together.

**The farm-life school a great unifying force.** The farm-life school supported by a district which includes both the rural town and its trade territory is the most effective organization known for unifying and strengthening this basic unit of rural



POTATO WAREHOUSE OF A FARMERS' COÖPERATIVE ASSOCIATION IN MICHIGAN

This serves the farmer members living in the trade territory of the country town. (From Mears and Tobriner's "Principles and Practices of Coöperative Marketing")

life. In the past this unit, composed of a farm town and its trade territory, has often tended to split apart, a line of cleavage appearing between the people of the town and the people of the farms. Life in the rural community is weakened when the unit is broken into discordant, warring parts. It is as though the hand should say to the foot, "I have no need of thee." The farm-life school, by teaching both the people of the farms and the people of the farm town to comprehend their common interests, wipes out the line of cleavage. It brings the children of the country and the children of the town together while they

are yet young. Under the guidance and inspiration of good teachers they study the same educational courses together and come to know and respect one another and to be friends. Economic differences and religious prejudices disappear. There are no stronger or more lasting friendships than the friendships of school days. This friendship, together with a more enlightened and sympathetic understanding of the interests which both have in common in the success of coöperative agriculture, forms the cement that binds the rural town and its trade territory together.

The farm-life school belongs to the whole rural community. It brings trained leadership to the community as a whole. It is supported by the whole community in common by taxation, which causes it to strike its roots deep. It is the only community institution supported by taxation in which all the people of the community share. The people of the school district often belong to different churches, to different lodges, to different organizations of farmers or business men, to different units of civil government; they follow the different occupations which are necessary to our complex modern life, but they all belong to the same school organization and they all contribute a portion of their taxes to its support. The farm-life school should teach all the people of the rural community how to play the great game of coöperative agriculture successfully together. It should develop real teamwork between the rural town and its trade territory; it should bring enlightenment to all; it should destroy old prejudices and heal misunderstandings; it should enable the people to form a united community.

By thus consolidating and unifying the interests of all the people who belong to the rural community, the farm-life school strengthens the community as the foundation for coöperative agriculture. By making the school district coincide as nearly as possible with the natural land foundation of the rural community the farm-life school can be made to develop the greatest strength and efficiency for its difficult task.

# CHAPTER XX

## THE SCHOOL BUILDING AND GROUNDS

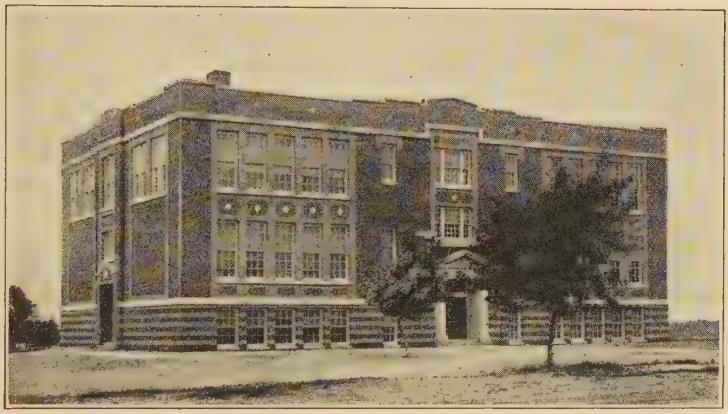
The movement to organize farm-life schools with districts large enough to provide an efficient number of pupils has led to the construction of thousands of new school buildings throughout the rural communities of the United States and to the repair and rejuvenation of hundreds of old buildings. Many thousands of buildings will be erected for farm-life schools during the lives of the present generation. In this chapter we will discuss the important features of a good schoolhouse which contribute toward making a good school in the rural community.

A good schoolhouse aids in making a good school (1) by improving the health of the children; (2) by providing the facilities for improved instruction; (3) by providing service rooms for the use of the community, where the people may sing together, play together, study together, and learn to work together; (4) by arousing community pride in the schools and maintaining public interest in education at a higher level; (5) by setting before the community an example of the advantages of buildings that are modern, and an example of the proper landscaping and care of premises, (6) by improving the morale of teachers and pupils; (7) by attracting a better class of teachers. A good schoolhouse is no substitute for good teachers, but it aids good teachers very materially in making a good school.

**Cardinal points in planning a farm-life school.** In planning a new building for a farm-life school or in making over an old one the following cardinal points should be kept constantly in mind:

1. *Improving the health of the pupils.* Better health is promoted among the pupils by taking pains to observe the following principles of construction and arrangement:

*a. Correct lighting.* Where study is to be done from the printed page or from the blackboard the windows should be so placed that the light will come only from the left and rear of the pupil; in no case should they be so placed that the light



AN ATTRACTIVE, ECONOMICAL TYPE OF CONSOLIDATED SCHOOL BUILDING, COMMON IN THE MIDDLE WEST

admitted will shine directly in the pupil's eyes. The blackboard should be of slate, which softens the reflected light; and the walls should have a rough sand finish to diffuse the reflected light and should be lightly tinted in some warm color to reduce the glare which results from dead white. The desks and woodwork should be of darker finish to form a restful background for the eyes. The lighting arrangement should be so planned that the printed page or the blackboard will always be in full light from the windows and the background will tend to merge into shadows.

The amount of light admitted is also an important factor. The area of the windows should equal at least one fifth of the

area of the floor space in order to provide for the admission of sufficient light on dark days. Good window shades of a light, restful tint should be provided to shut out direct sunlight or a too full glare of light on bright days. Attractively shaded electric lights should be provided for evening use and for supplementary use on very dark days.

*b. Heating.* Moist air kept at a temperature varying from 65 degrees to 68 degrees Fahrenheit is most conducive to the health of the pupils and to their efficient work. The heating system should be designed by a competent engineer to accomplish this purpose under the conditions of the particular building in which it is installed. Care should be taken to see that the system has sufficient reserve capacity to meet the demands that will be made by unusually cold weather. There are on the market hot-air systems, hot-water systems, and vapor systems which are correctly designed to give excellent satisfaction when properly installed. The fuel room is often sunk in the ground outside the school building, thus making it easy to unload fuel and reducing the amount of coal dust introduced into the school building.

*c. Ventilation.* Pure air in the schoolroom is very important in safeguarding health against pulmonary disorders and contagious diseases and in maintaining in the pupils a physical condition which promotes efficient study. Two principles are involved in providing good ventilation in the schoolroom: (1) provision must be made for removing a portion of the exhaled air and replacing it with fresh air from outside and (2) means must be provided for keeping the air in motion. Experiments show that the effect of keeping the air in motion is wholly as beneficial as the effect of introducing fresh air. A combination of the two is desirable. This result is achieved by means of a fan system, which draws the foul air from the floor, where the carbon dioxide of the expired air tends to collect, and expels it from the building. Fresh air is drawn from outdoors and is heated to the proper temperature by passing over

steam coils before it is introduced into the schoolrooms. A thermostat system of control holds the temperature within the desired range.

The most modern form of ventilation for schoolhouses draws fresh air from outdoors into each individual schoolroom by means of a quietly running fan operated in connection with the open window. In cold weather the air is passed over the radiator to warm it. This form of ventilation is under the control of the room teacher. It is an important duty of the teacher in every schoolroom to see that the ventilating system is constantly kept in satisfactory operation. Dr. Thomas D. Wood says:

> The essential problems of ventilation relate not so much to the regulation of the chemical composition of the air as to control of air in relation to its physical properties.
>
> The principles recognized as most important at the present time in relation to air and ventilation are as follows:
>
> (*a*) The best schoolroom temperature is from 65 to 68 degrees F. and should never be allowed to go above 68 degrees when the outdoor temperature is below that point. A fluctuating or changing temperature within the limits stated above is preferable to unchanging uniformity.
>
> (*b*) Stagnation of air should be prevented but air movement should not cause disturbing drafts.
>
> (*c*) Outdoor air possesses exceedingly important health values. Present approved standards of ventilation recommend window or modified window ventilation in order that rooms may be provided directly with outdoor air.
>
> (*d*) Excessively dry or moist atmospheres are less comfortable and may be less favorable to health. However, window or modified window ventilation renders the artificial control of humidity unnecessary.
>
> (*e*) Air should be as clean as possible and free from obnoxious gases and offending odors.

*d. The water supply.* One very common source of contagion is a contaminated water supply. On the other hand, one very

great aid to health is a plentiful supply of pure fresh water. A generous number of drinking fountains, so designed as to prevent the danger of contagion, should be distributed about the halls and the playground. It should be made easy for the children to drink their fill of pure fresh water. The water piped to these fountains, in cases where there is no municipal supply, should be drawn from a deep, carefully protected well. An air-pressure system is often used to force the water supply about the building. The compression tank is usually located in the basement.

A WARM LUNCH AND A GLASS OF MILK FROM THE NEW CAFETERIA OF THE CONSOLIDATED SCHOOL

*e. Lunch.* It is now understood that the health of school children is promoted by stimulating digestion and assimilation by means of a hot dish in connection with the lunch which the children bring from home. This is particularly true in the case of pupils who ride considerable distances to school. The consolidated school building should be provided with a cheerful lunch room connected with the domestic-science kitchen directly or by a dumb waiter. Many of the better consolidated school buildings now contain a well-equipped cafeteria.

*f. Toilets.* Health is promoted by toilets that are easily accessible, clean, and private. Many ills in later life are traceable to bodily functions deranged by lack of proper toilet facilities. The toilet rooms should be small and should be sufficient in number. They should be placed in convenient access to the various schoolrooms on each floor. The primary rooms should have toilet rooms opening directly off the classroom. The

toilet rooms should be kept scrupulously clean. Such arrangement of toilet facilities is not only conducive to health but promotes refinement and decency.

*g. Lockers.* Health is promoted by furnishing locker room for the disposal of surplus clothing. The lockers should be ventilated by pumping air through them by means of the fan system. Steel lockers set into the walls of the hallways and schoolrooms provide very neat and efficient storage space. Each pupil should be given an individual locker.

*h. The physical-examination room.* A room for conducting physical examinations and detecting health defects and for housing the equipment needed for these purposes is very desirable.

*i. The gymnasium.* A large, well-equipped gymnasium is of great value in encouraging play and physical training, through which means the health of the pupils is effectively promoted. If the gymnasium is on the basement floor, great care should be taken to see that it is well lighted and thoroughly drained. Ample room for spectators should be provided, and no obstructions which make the playing floor dangerous should be permitted. The walls should be finished in smooth-faced brick at least ten feet above the floor.

*j. The teachers' rest room.* A retiring room for women teachers when not on duty promotes their physical efficiency and improves their work.

*k. Cleaning.* The dust and disease germs that collect in a poorly cleaned schoolhouse are a menace to health. The floors should be made of some substance that is easy to sweep and to mop. A vacuum cleaning system should be built in.

*l. Seating.* A number of physical defects may be traced to bad posture resulting from improper seating. Great care should be taken to provide seats for each schoolroom which are approximately the right size for the pupils who will use that room. These seats should be adjustable so that they can be made to fit the children. Teachers should take great pains to

see that the proper adjustments are made, that the feet of each pupil rest comfortably on the floor, and that the desk is the right height and at the proper distance from the back of the seat to aid the pupil in maintaining a correct posture.

*m. Sanitary disposal of sewage.* Where there is no municipal sewage-disposal plant it is important to install a septic tank for the sanitary disposal of sewage. This tank should be of ample proportions to meet the needs of the school, and its drain should connect with some farm tile system if possible, or discharge at considerable distance from a habitation. The school sewage-disposal plant should serve as a model for plants to be installed in connection with the farm homes of the community.

2. *Facilities for improved instruction and management.* These include a sufficient number of schoolrooms for the convenient housing of the elementary grades, a junior-high-school assembly room, a senior-high-school assembly room, and high-school recitation rooms some of which are equipped for teaching natural science, physics, chemistry, agriculture, and domestic science. This equipment should include the installing of gas, electricity, and running water. Library rooms should be provided in connection with the high-school assembly rooms, and a well-lighted manual-training shop should be included in the plans. Off this shop should be a finishing room and ample room for storage. An office for the superintendent and a room for the use of the school board should be provided. The consolidated-school board should be encouraged to hold its meetings regularly in the schoolhouse and to keep in close touch with conditions there.

3. *Community-service rooms.* The high-school assembly room, the domestic-science kitchen, the lunch room, and the gymnasium have great value as community-service rooms. The assembly room or the gymnasium should be provided with a stage and all necessary stage equipment for use in community programs of a literary, musical, or dramatic nature. Fireproof housing should be provided for the moving-picture ma-

chine. In some of the more recent buildings the stage of the assembly room is made large enough to serve as a standard-size playing floor, and the walls separating it from the assembly room may be folded back so that the seating capacity of the entire room becomes available for the audience attending athletic games. Shower baths for boys and for girls and toilet rooms should be provided in connection with the gymnasium, as well as special lockers for athletic clothing and equipment.

A COMMUNITY-CENTER MEETING AT THE HUDSON CONSOLIDATED SCHOOL

Some arrangement which brings the domestic-science kitchen near the gymnasium or connects it with the community room by means of the dumb waiter will contribute greatly to the facilities for holding community banquets. An outside door to the gymnasium, which permits it to be used by the community for farmers' institutes and other community meetings without disturbing the school, is very desirable. Some gymnasiums are now so planned that live stock may be brought into a sawdust ring temporarily constructed in the center for judging. Where the gymnasium is designed to be the chief assembly room for community meetings, folding chairs are furnished. These are stored in a space provided for them under the stage. Care should be used to see that the stage is made large enough to accommodate all community needs. When a stage is included in the plans for the gymnasium, it should be so designed that it does not project any dangerous obstructions into the playing floor. Whether the stage is included in the gymnasium

plans or in the plans for the high-school assembly room, it should include convenient dressing rooms.

4. *The grounds.* Well-drained grounds with sufficient level space for playgrounds and an athletic field are highly desirable. From five to ten acres of land usually suffices to meet all the needs of the modern farm-life school. Shrubbery should be planted about the building, and shrubbery and trees on the wings of the lawn, following a plan laid out by a landscape gardener. The driveways and the school barn or garage should be designed with a view to their harmonious relations to the school building. The grounds of the farm-life school should be so neatly kept that they will set a desirable example before the people of the community, thus encouraging better-kept premises throughout the surrounding farm neighborhood.

NEATLY KEPT GROUNDS, BEAUTIFUL SHRUBBERY, AND ATTRACTIVE, ECONOMICAL TYPE OF CONSOLIDATED SCHOOL BUILDING

The playgrounds for the younger children, the sand pile, swings, teeter boards, giant strides, trapezes, and slides should be placed in one part of the school grounds, and the baseball and football fields and the tennis and volley-ball courts in another. A well-considered grouping of these will make it much easier to give the playgrounds and athletic field proper supervision.

Not as much use is now made of the school grounds for agricultural demonstration as was formerly the case. Demonstrations carried out on the farms where the boys reside, as definite projects connected with the management of these

farms, have been found to be more practical and to have greater educational possibilities.

**Avoiding extravagance.** In the present period, when it is so difficult to provide financial support for schools in rural communities, the designers of the schoolhouse should avoid extravagance. It is true economy to make the building substantial, of pleasing lines, and semifireproof. An ugly fire-trap is dear at any price.

**The "schoolhouse beautiful."** Every school district should have the "schoolhouse beautiful," since the cost of attractive exteriors and interiors is no greater than that of ugly ones.

Artistic design, like an efficient plan, is dependent on skill in handling all the elements involved in a building problem. Nobility of mass, purity of line, restraint, and simplicity are the essentials to beauty of school buildings. These qualities are possible for any school in any community, with any kind of building materials.

A schoolhouse of pleasing exterior, with a well-arranged interior finished in warm tints and bearing on the walls of the rooms a few well-chosen and appropriately framed pictures, is a good investment in any community. All these are silent teachers of great influence.

When planning the school building it is well to make careful choice of the architect. He should know schoolhouses from the inside; he should know them from the standpoint of the needs of the children, the needs of the teachers, and the needs of the community; and he should know the designing of the building from the standpoint of its outside appearance, the building materials to be used, and the best plumbing, heating, and ventilation systems to be installed. Bear in mind that the doors at the main entrance of the schoolhouse should open outward and should be provided with panic locks.

The school building which is so designed that it promotes the health of the children, provides facilities for efficient instruction, includes community service rooms, is neat and attractive

in appearance, and is set in well-kept grounds is a great stimulus toward better education in the rural community. It arouses community pride (one of the strongest influences in securing community support), it inspires the pupils with a greater interest in their school work, and it is a silent teacher of high ideals. The good school plant assists the teachers very materially in making a good school, and it proclaims to all who chance to pass that way that here is a rural community which has dedicated itself to the better education of the rising generation.

# CHAPTER XXI

## TRANSPORTING CHILDREN TO SCHOOL

**Better schools made possible by transportation.** The successful transportation of pupils to school has made possible the greatest improvement in education in rural communities that has come about during the last hundred years. By bringing a large number of farm children together in one school it is possible to organize a modern elementary school and high school with pupils enough in each grade to make the school economically and pedagogically efficient and to attract into the service of the children the best class of teachers. By means of efficient transportation pupils who live isolated lives on scattered farms may be brought together to sing together, to play together, to study together, and finally to work together in successful coöperative farm enterprises.

**Oxen and oxcart a failure on the Indian trail.** The early settlers who organized the rural school system of America realized that a better school can be organized when the pupils are assembled in large groups; hence they made a desperate effort to keep their early schools centralized in large groups. However, the lack of proper facilities for transportation when the farm families began to settle on the land at considerable distances from the central villages caused these attempts at assembling the pupils in large groups to break down. These early centralized schools had been planned to provide the educational facilities for a territory covering from twenty to forty square miles — the early township. The impossibility of transporting pupils from the more distant parts of this territory under the crude conditions of colonial days finally led the early colonists to give up the attempt. Then followed the

establishment of little district schools enrolling small groups of pupils and located within walking distance of the farm homes in the more remote parts of the township.

The people at that time realized that to break up the central school and divide its resources dissipated the power of the school, but no other way could be found. The oxcart was a slow-moving means of transportation at best. Frequently the routes of travel were only Indian trails through the woods. The primitive roads through forests and bogs and streams were almost impassable at many seasons of the year. The people were so few in these outlying settlements, and the tasks of conquering nature, building homes for the families and shelter for the stock, clearing fields, and providing the means of subsistence in those pioneer days were so difficult, that little time or money could be spent on improving the roads. The oxcart and the crude roads did not permit the transportation of children to school over any considerable distance. The centralized school in the rural community must therefore wait until improvements in transportation should permit it to succeed.

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OLD AND NEW MODES OF CONVEYANCE

The motor vehicle is a great improvement over the oxcart as a means of rapid and comfortable transportation over country roads

**Good transportation basic.** Good transportation is as basic to the success of the centralized rural community school today as it was in the colonial days of New England. Improvement in transportation is largely a matter of building better roads, of improving the vehicles, of making a more careful selection of drivers, and of providing better management. One of the most significant factors in determining the success or the failure of the farm-life school in America today is transportation. Let us study in order the important factors in the problem of transportation; namely, roads, vehicles, drivers, cost, and management.

**Modern roads.** America is engaged in a great national program of road improvement. As population in any area increases and becomes more productive it is possible to expend more time and money on roads. Throughout all the agricultural regions of the United States there is at present a very great interest in the improvement of roads. The people are coming to see more clearly the technical nature of road work and to intrust it more largely to skilled hands. They are providing the money for roads more willingly. Road laws are being improved and more efficient methods of procedure are being worked out by national, state, county, and local road organizations. Grading, dragging, and surfacing with gravel, sand, clay, mineral tar, macadam, concrete, or brick are being carried forward at a surprising rate in many parts of the country. The result of these efforts is cumulative. A continued improvement is noticeable each year in the vast network of roads which covers the United States. This important subject will be more fully discussed in the next chapter.

**Modern means of conveyance.** In different parts of the country the children are transported to school in different types of vehicles, the type depending on conditions in the local community. In some localities where the roads have not yet been much improved various types of horse-drawn vehicles are most successful. As the roads become better, motor busses

replace the horse-drawn vehicles. Sleighs, or motor busses equipped with snowplows, transport the children to school in many school districts in the northern United States during the period of heavy snows. In Maine the snow falls to a depth of three or four feet, and the school busses are equipped with snowshoes and caterpillar drive during the season of deep snows. In Louisiana and Florida, where the waters of bayous, rivers, and lakes are available, pupils are transported to school in motor boats. In sparsely settled regions of the Western states some pupils ride to school on horseback. In some sections a considerable number are transported by electric and steam railways. Approximately one million children are transported to school in the United States at the present time by these various means of conveyance.

**A well-designed type of vehicle desirable.** The vehicle used for conveying children to school should be so designed as to promote the safety, welfare, and comfort of the children who ride in it. It should be well made and be strong enough to provide a good margin of safety for the load carried. It should be well lighted; good lighting promotes good behavior. It should be roomy enough to permit the children to sit in orderly fashion without crowding; this also promotes good behavior. It should be well inclosed to protect the children from inclement weather, yet capable of being thrown open in fine weather. The best arrangement for giving protection against inclement weather and yet admitting ample light is glass panels which may be closed tightly, like the body work of an inclosed automobile, on stormy days and opened on fine days. The exhaust from the engine in motor vehicles may be made to furnish plenty of heat for the coldest winter days by passing it through a properly designed radiator. With horse-drawn vehicles the best satisfaction in heating is usually secured through the use of foot warmers and warm lap robes. Care should be taken to see that the springs of the vehicle are designed to carry its load most comfortably.

**Ownership of vehicles.** In the ownership of vehicles and motive power there is a wide difference in practice. Motor busses are sometimes owned by the school district, sometimes by the drivers, and sometimes they are owned in common, the driver furnishing the chassis, and the school district the body. While the first plan is most common, the second and third plans are being employed satisfactorily in communities where

STARTING HOME FROM THE CONSOLIDATED SCHOOL

the motor truck is coming into use on the farm. The farmer takes the children to school, then changes to his trucking body for his own hauling during the middle of the day or on Saturdays. Where horses are used, the conveyance usually belongs to the school district, and the driver furnishes the horses, the harness, and the robes.

**The modern motor vehicle.** The oxcart proved to be very slow and very uncomfortable in transporting children to school over Indian trails. The modern motor bus is swift and comfortable when it is run over reasonably good roads. Whenever improved highways are built, the motor bus is destined to be

the chief means adopted for transporting children to school, as it covers the route more quickly, more conveniently, and with greater comfort to the children than any other means yet devised. Its almost universal adoption depends only upon a reasonable improvement in roads. With roads in fair shape for motor travel, the motor bus is not only the most speedy, the most convenient, and the most comfortable method of transportation, but, because of its wider range of service and especially because of the saving of time spent on the road, it is also the least expensive.

**Reducing the time spent on the road by the children.** The reduction of time spent on the road by the children is one of the most important improvements that can be made in connection with transportation. In planning and managing the transportation system the welfare of the children should be given first consideration; the question of cost should be secondary. Children should not be kept on the road an unreasonable length of time. They should not be taken from home unreasonably early nor should they be returned to their homes unreasonably late. Good management in planning and operating transportation routes succeeds in avoiding all these extremes. The result is general satisfaction. Nothing contributes more to success in reducing the time spent on the road than good roads and good motor busses.

**Less time on the road, more time to help with chores.** Time saved on the road means more time for the pupils at home. In the thousands of farm communities where the motor bus has superseded the horse-drawn vehicle it has been found that the motors carry the children to and from school in less than half the time required by horses to cover the same distance. The parents appreciate the time thus saved for the children's help in doing the chores about the farm, and the children form habits of work and develop initiative and sturdy qualities of character that come from the regular responsibilities of farm chores. Probably there is no better opportunity to learn one

of the great lessons of life — the lesson of the importance of work — than by doing farm chores as a child. When this is coupled with the opportunity to attend a farm-life school each day, we have an educational opportunity that has no superior.

**Drivers of school conveyances.** The bus drivers employed by farm-life schools in the United States include men, women, and older boys and girls. These drivers follow many different occupations during the part of the day when they are not busy on the route. The distinguishing characteristics of a good driver are much like those of a good teacher: trustworthiness, skill, punctuality, resourcefulness, a knack of managing people, and good moral character. Oftentimes these traits are found well developed in some of the older pupils or in the farmer or the farmer's wife; sometimes they are found in the repair man at the garage or in a retired farmer. The school board often looks ahead and makes occupational adjustments in order that desirable drivers may be secured. Such arrangements as the following are often made: A high-school boy or girl living near the outer end of the route assumes the duties of driver, gathering the pupils on his way to school and distributing them on the return in the evening. In that case the parent signs the contract with the board of education and gives the required bond for the faithful execution of the driver's duties. Sometimes a man or woman from a farm conveniently located takes the contract to transport the children on a route, giving an hour or more to this duty each morning and evening and returning to the farm to work during the day. Where the district contains a town, mechanics from the garages or retired farmers are often employed for the number of hours required each day. In some instances persons having no other employment are hired as drivers. Such persons are likely to show an undesirable tendency to want to sit about the furnace room of the schoolhouse during the day, smoking and railing at life — a regular soviet of grouches. These conditions are to be avoided.

**The driver's wages.** Naturally there is a wide variation in the wages paid to drivers in different communities. The wages are conditioned upon the driver's investment in transportation equipment, the price of labor in the community, the number of hours of service given each day, the length of the route, the general condition of the roads, and the number of pupils transported. Where the driver furnishes team and harness, the wages usually vary from $30 a month to $80; where the school furnishes motor bus and all upkeep, the driver's wages usually vary from $20 a month to $75; where the driver furnishes motor bus and all upkeep, the wages vary from $40 a month to $125.

**The management of transportation.** Good management is necessary to maintain a transportation system at the point of highest operating efficiency. This is as true of a school transportation system as it is of a railroad system, where it is a well-known fact that motive power and rolling stock depreciate and employees grow careless unless there is strict supervision and discipline. The direct way for the board of education to secure effective supervision and discipline in the school transportation system is to place the matter in the hands of the superintendent of the school, to invest him with full power to act, and to hold him responsible. It is obvious that transportation needs even closer supervision than teaching. Teachers enter their work trained, disciplined, and certificated; drivers are untrained, undisciplined, uncertificated. In addition, drivers must deal with the varying problems of road conditions, the upkeep of motive power and vehicles, and the personal whims of families along the route. Where the board of education takes pains to employ a capable superintendent and put him in full control over these matters, efficiency and general satisfaction are secured.

**Mapping the routes and managing the people.** If the superintendent of the farm-life school is to supervise transportation effectively, he will carefully map out the school district, showing the location of each house where there are

children of school age, distance of each house from the public highway, the number of pupils to be transported, and the route to be followed. He will keep this map up to date by recording changes as they occur. By visiting in the homes and by mingling with the people at community meetings he will cultivate a friendly acquaintance with all families having children to be transported to school, until they place such confidence in him as to report to him frankly any irregularity or unsatisfactory condition which needs to be corrected. Unsatisfactory conditions should be corrected at once as tactfully and as scrupulously as are lapses in teaching or in discipline. Discipline in the busses should receive the same careful attention from the superintendent as does discipline in the schoolroom. He should inspect road conditions throughout his district from time to time so that he can intelligently plan routes that will be to the best advantage of the children; he should take pains to keep his transportation system operating at its highest efficiency at all times; he should seek to develop among his drivers an *esprit de corps*; in fact, if the transportation system is to give the best satisfaction the superintendent must make himself complete master of the situation.

**Time schedule of school conveyances.** The superintendent works out with each driver a time schedule of morning and evening stops at each home. The time allowed should be as short as length of route, type of motive power, and road conditions will permit. It should provide for arriving at the schoolhouse not more than fifteen minutes before the opening of school and should be based on the time which it is possible to make under reasonably good road conditions. An understanding should be had with each family along the route as to how much earlier than the regular schedule the school bus will be expected to arrive under bad road conditions. It is well to put this approximate time in the printed schedule also. The number of minutes the driver is required to wait at a scheduled stop for tardy pupils should be determined and definitely

announced to all patrons. Usually it should not exceed three minutes. It is important to develop a school spirit of punctuality. This matter should be emphasized and should be clearly understood by all families living on the routes.

**Efficient time schedule of a school motor bus.** Following is the time schedule of the school bus on route No. 2, Remer, Minnesota. The farthest house on this route is 8.4 miles from the schoolhouse; the time required to reach it is forty-five minutes.

| Going to School, Morning | | | Going Home, Afternoon | | |
|---|---|---|---|---|---|
| Leave | Time of Leaving | Miles | Leave schoolhouse at 3.45 P.M. | | |
| | | | Arrive at | Time of Arriving | Miles |
| Mr. Pelky's . . | 8.00 | 8.4 | | | |
| Mr. Daley's . . | 8.08 | 7.5 | | | |
| Mr. Hansen's . | 8.12 | 6.0 | Mr. Wilbert's . | 3.51 | 1.0 |
| 4-mile corner . | 8.25 | 4.0 | Mr. Willet's . | 3.56 | 2.0 |
| Mr. Winger's . | 8.27 | 2.5 | Mr. Menton's . | 3.57 | 2.1 |
| Mr. Foster's . . | 8.30 | 2.2 | Mr. Foster's . | 3.58 | 2.2 |
| Mr. Menton's . | 8.31 | 2.1 | Mr. Winger's . | 4.01 | 2.5 |
| Mr. Willet's . . | 8.32 | 2.0 | 4-mile corner . | 4.03 | 4.0 |
| Mr. Wilbert's . | 8.37 | 1.0 | Mr. Hansen's . | 4.16 | 6.0 |
| | | | Mr. Daley's . | 4.23 | 7.5 |
| Arrive at schoolhouse at 8.45 A.M. | | | Mr. Pelky's . . | 4.30 | 8.4 |

**The driver's daily report.** A daily report by each driver showing the time when he stopped for the first child, the time when he arrived at the schoolhouse, the number of children transported for the day, the number absent, cases of tardiness or misconduct in the bus, and the condition of the roads is required by the majority of schools at the present time. Out of fifteen typical farm-life schools studied in Chapter XVI thirteen require a written report from each driver daily, one requires oral reports daily, and one demands a written report each week.

**Effective management of transportation at Orient, Iowa.** The writer recently visited a farm-life school at Orient, Iowa,

which has the transportation system worked out on the basis of efficiency and hence on the basis of satisfaction. Eight motor busses are used. The patrons living on each route are provided with a schedule card which shows the time when the bus will arrive at each home on the route. This card is posted beside the telephone in each home. Beside the telephone in the superintendent's office is posted a schedule card for each route. A large map of the district hangs on the wall of the superintendent's office. Each bus route, with the names of the families, the number of children living on the route, and the name of the driver, is shown on this map.

The superintendent remains in the office during the forty-five minutes in the morning when the busses are gathering the children and bringing them to school. He remains on duty also during the time the pupils are being returned home in the evening. Thus by means of the telephone a dispatching system is worked out to take care quickly of any unusual situation that may arise. For instance, should a bus on any route need assistance, the first bus available is immediately dispatched to take care of the situation. The pupils spend an average of about twenty minutes on the road to school. Those living at the ends of the longest routes, eight and one-half miles from the school, reach home in about forty-five minutes. The superintendent holds drivers' meetings as regularly as teachers' meetings. Such careful attention to the details of transportation yields big dividends in the general satisfaction which the people of this district take in their excellent transportation system.

**Drivers checked from coming too early.** The superintendent should be on guard to handle another difficulty in the management of transportation. Because they wish to increase the time during which they can work at some other employment during the middle of the day, drivers often show a tendency to call for the children too early and deliver them at school before schedule time, sometimes arriving an hour before the

opening of school. A little care in establishing a clear understanding on this point when drawing up contracts with drivers, and constant watchfulness on the part of the superintendent to see that it is not permitted to begin, will eliminate this difficulty.

**Drivers' contracts.** A written contract should be made between the school board and the drivers of school busses. The superintendent, as executive officer of the board, should see that the conditions agreed to in the contracts between the school board and the drivers are faithfully observed. The main points that should be covered are given in the following contract, which is in use at Lohrville, Iowa.

### BUS DRIVER'S CONTRACT

INDEPENDENT CONSOLIDATED SCHOOL DISTRICT OF LOHRVILLE, LOHRVILLE, IOWA

THIS AGREEMENT, made this 20th day of August, 1923, between the Consolidated Independent School District of Lohrville, in the County of Calhoun, State of Iowa, by the School Board, and _____ by bond qualified to act as a bus driver in a consolidated school.

Witnesseth, that the said _____ shall serve as bus driver in the said district for a term of nine months for the sum of one dollar twenty-five cents ($1.25) per day plus five cents per mile, the same to be paid at the end of each month, plus a bonus of ten dollars ($10.00) per month, the same to be paid at the end of the period for which this contract is drawn, commencing on the 3d day of September, 1923. The said _____ agrees to fulfill the following general obligations and such special obligations as may be added hereunto by both parties to this contract:

1. To travel each school day over route number 1, as indicated by the School Board, and to stop to gather pupils at all stations on that route where there are pupils that attend the Lohrville Consolidated School, and at no other stations on said route unless so directed by the Superintendent or the School Board.

2. To deliver all pupils at the school building not earlier than 8:45 A.M. nor later than 9:00 A.M. However, when the roads are bad the driver may arrive as late as 9:20.

3. To travel at no greater speed than twenty miles per hour at any time, to exercise special care in going around corners, in passing other vehicles, in crossing fills, and at all times to safeguard the pupils in his care.

4. To file with the Superintendent within two weeks after the opening of school a complete schedule of all stops, and to change same only after consulting the Superintendent and securing his consent.

5. To come to a full stop when taking on or delivering pupils, and to wait only three minutes after the regular schedule time for any pupil to enter the bus; the driver shall sound horn to make known his arrival.

6. To maintain order at all times; to assign to each pupil a place to sit and demand that he sit in the place assigned; to allow the pupils to enter or leave the bus only at the places designated for that purpose; to report to the Superintendent all cases of absence, tardiness, improper conduct or speech, and any other irregularities that may occur en route. Any failure to suppress disobedience or improper conduct shall render the driver liable to a fine of fifteen dollars ($15.00), the same to be deducted from his salary.

7. To use in the bus only the gasoline, oil, and grease provided by the district.

8. To stop and have the bus flagged across all railway crossings. This may be done by the driver getting out and seeing that all is well, or by one of the pupils, previously approved by the Superintendent, performing that duty. Any failure to comply with this provision renders the driver liable to a fine of twenty-five dollars ($25.00) for each offence, the same to be deducted from his salary.

9. To keep the bus clean and sanitary at all times; to leave the bus in the school garage in charge of the master mechanic each morning and evening after returning from the route unless otherwise instructed by the School Board; to inform the master mechanic of defects in the bus which need attention; and in case of breakdown to remain with the bus and assist the master mechanic until the bus is fixed.

10. To use the bus only for the purpose herein designated unless otherwise instructed by the School Board.

11. To use no profane or indecent language while en route; to abstain from the use of tobacco while pupils are in the bus and to allow no pupil to use tobacco; to abstain from the use of intoxicating liquors absolutely.

12. To allow no person to substitute for him unless the School Board first approve of the substitute and the Superintendent is informed of the situation.

13. To make such reports to the Superintendent, master mechanic, and School Board as may be required.

14. To give the School Board an approved bond of five hundred dollars ($500.00) to guarantee the terms of this contract other than covered by the bonus clause and to guarantee proper care of the school property in his control.

15. To give the School Board 15 days' notice in writing in case he wishes to terminate this contract before the period herein agreed upon has expired. If the driver fails to fulfill this provision he surrenders the right to receive pay for the last 15 days of service.

16. The School Board shall have the right to change the route at any time it sees fit.

The attention of the driver is called to Section 3794-ag of the School Laws which sets forth that any driver found guilty of violating any of the rules or regulations of the School Board shall be guilty of a misdemeanor and for the first offence shall be fined not more than ten dollars, and for the second shall be fined not less than twenty-five nor more than fifty and shall be dismissed from the service.

IN WITNESS WHEREOF, we have hereunto subscribed our hands this 20th day of August, 1923.

Independent Consolidated School District of Lohrville,
Calhoun County, Iowa

----------, *President*
----------, *Secretary*
----------, *Driver*

## MASTER MECHANIC'S CONTRACT

(Entered into with one of the drivers qualified as a mechanic)

1. To take charge of all the school auto-busses as soon as they are delivered to the garage by the drivers.

2. To take charge of the garage and all property therein and to exercise every precaution against damage and theft.

THE TWELVE MOTOR BUSSES AND THE MOTOR-MECHANICS SHOP OF THE JORDAN CONSOLIDATED SCHOOL

The high-school boys in the motor-mechanics course keep these busses in constant repair

3. To make his home in the garage, and to spend each night in the garage unless the School Board or the Superintendent shall approve of a substitute.

4. To do all the repair work on the auto-busses, keeping them in good condition at all times. In case it is impossible to do some particular repair work at the school garage, consult the School Board who will authorize the work to be done elsewhere.

5. To purchase and use only such tires, accessories, repairs, etc. as the School Board shall authorize.

6. To examine personally each bus before each trip making sure that it is in good condition for the trip in every respect.

7. To take charge of the school filling station and to supervise its use according to the instructions of the School Board allowing the gasoline to be put only into school busses.

8. To permit no loafing in the school garage; to keep all school children out of the garage unless otherwise instructed by the superintendent.

9. To permit only regular drivers to take busses from the garage, unless otherwise instructed by the superintendent or the School Board.

IN WITNESS WHEREOF, We have hereunto subscribed our hands this 20th day of August, 1923.

Independent Consolidated School District of Lohrville,
Calhoun County, Iowa

----------, *President*
----------, *Secretary*
----------, *Master Mechanic*

**Contracts when horse-drawn vehicles are used.** When horse-drawn vehicles are used, some points of the contract will differ from those in use for motor-bus drivers. The following are taken from the contract with the drivers of horse-drawn vehicles at the consolidated school at Hudson, Iowa:

To use a safe and reasonably fast team, wagon heavy enough to be safe at ordinary speed under all reasonable conditions of weather and roads; the Superintendent to determine such conditions.

To use the wagon and all other school property for no other purpose than the transportation of pupils over routes herein designated without special permission from the Superintendent.

To keep lap robes dry and clean and in good condition and to prepare all foot warmers as the condition of the weather demands.

The driver's contract should be drawn in such form as to be legal under the statutes of the state. Pains should be taken to see that the vehicles are kept neat and clean and in good repair at all times. Some districts find it necessary to give special

emphasis to this matter in the contract. The matter of substitute drivers sometimes needs special attention. In some cases it is found best to include in the contract the stipulation that no freight of any kind be transported in the school busses.

**Caring for pupils who live off public highways.** A difficult problem of transportation, and one which should have the careful attention of the superintendent, results from pupils who live off the public highway. Usually it is more satisfactory to pay the parents of these children a nominal sum for transporting them to the public road than it is to haul a partial load of children off the route and back again, thus lengthening the route for all. When the weather is good and the father wishes to be at work in the field, the children can walk down to the bus route safely and comfortably; when the weather is bad, the farmer harnesses up and takes his children to the bus, just as he formerly took them to the country school. In some cases shelters are built for pupils who live off the bus routes.

**Good management to take a vacation when the roads are bad.** Experience has taught an important lesson in the many communities where pupils are being transported to school over roads which have been neither graveled nor hard-surfaced. When the frost goes out of the ground in the spring or during periods of very bad roads due to excessive rainfall or snowdrifts, the school is closed for a bad-roads vacation. Farmers have long been accustomed to closing their schools for a corn-husking vacation, a potato-digging vacation, and a cotton-picking vacation, also for a week of spring vacation at Easter time. Thus an occasional vacation has come to be an accepted part of the rural-school program. The most important vacation in the consolidated school district is the bad-roads vacation. Usually the number of days during the year that the school must be closed to avoid transportation over excessively bad roads will not exceed four or five. Many consolidated schools in country territory having only dirt roads do not find it necessary to close for more than two or three days during the

school year on account of bad roads. Some do not close at all for that purpose. However, it is the part of good management to close the schools for a bad-roads vacation whenever excessive inconvenience and fatigue to the children and great wear and tear on vehicles may be avoided by doing so. Such wise management, besides making a saving in the cost of transportation, keeps the people satisfied with their transportation system and contributes much to the possibilities of successful work in the school.

**Responsibility of the board of education.** Efficient management of transportation is one of the most important duties of the board of education in a large school district. For this reason it is customary, even though a town of several hundred is contained in the district, to select a majority of the members of the board of education from the country. The farmers are usually better informed on road conditions and more conversant with the needs of the children who are being transported to school. It is wise to select for the board persons living in various parts of the district, so that the board may have direct information on the state of the roads and on conditions of transportation throughout the district. Whenever possible, parents having children of their own to ride in the school busses should be selected to serve on the board; this secures the close attention to the details of transportation that is inspired by parental interest. Well-managed transportation contributes greatly to the success of the school; poorly managed transportation is a constant source of aggravation.

**Efficient management in Colorado.** The following statement concerning the transportation of the pupils of the Ault Consolidated Schools, Weld County, Colorado, during the school year 1921–1922, shows how efficient motor transportation has become where it is well organized and strictly managed.

During the nine months of operation for the school year ending May 19, 1922, the transportation fleet of the Ault Consolidated

Schools made a remarkable record not only in the cost of operation, but in the maintenance of an accurate time schedule. The district transported in six school busses an average of 262 children each way daily, at a cost of 22 cents per child per day. In computing the cost of child per day, both depreciation on the busses and interest on the investment were included.

The busses were operated every school day of the year (175 days) and traveled a grand total of 29,580 miles in the 2100 round trips. Not a bus failed to make its entire trip and only twice did a bus arrive late at school. There were only two short delays caused by engine or mechanical troubles during the entire year.

The original tires which were purchased on the trucks in August, 1920, are still in use and are in splendid operation, all of them having gone over 10,000 miles. Tire trouble has occasioned only two stops during the entire two years' operation; in both cases repairs were made so that all passengers arrived at school "on time."

(*Signed*) _____, *Superintendent*

**Cost of transportation.** The cost of transportation is an important item in the annual budget of many schools. A careful study of the cost of transportation was made by the writer in thirty-seven typical Iowa farm-life schools in 1923. These schools are located in all quarters of the state. Their districts rank in size from the smallest in the state (16 square miles) to the largest (72 square miles). Of these schools twelve use horse-drawn busses only, ten use motor busses only, and fifteen use both. Their routes cover all types of roads, including 32 miles of pavement, 315 miles of gravel, and 1637 miles of dirt roads. They employ as drivers 148 pupils and 178 adults.

In computing the cost of transportation the total of drivers' salaries, repairs, supplies, depreciation, interest on present worth of equipment, and the annual cost of shelter was divided by the total number of pupils transported to find the cost per pupil per year. From this the cost was found to be twenty-two cents per pupil per day on horse-drawn routes and twenty-three cents per pupil per day on motor routes. This was two

cents per pupil per day less than the cost of transporting pupils to these schools two years before.

**Wages of drivers the most important item in cost.** It was found that the rate of wages paid to drivers is the most important item in fixing the cost of transportation. The five schools in the list which had the lowest cost, an average of *$28.18 per pupil per year*, paid their drivers an average of *$43.66* a month; the five schools which had the highest cost, *$53.66 per pupil per year*, paid their drivers an average of *$94.17* a month. It will be noted that the five schools having the lowest cost per pupil paid their drivers less than half as much a month as the five schools which had the highest cost per pupil. It was noted that the competition of high-school pupils for service as drivers reduced the price at which adults bid for routes and hence tended to reduce the cost of transportation.

**Cost of transportation reduced by improved roads.** It was found that in those communities where the roads have been well improved motor transportation can be secured much more cheaply than where the routes are composed mainly of unimproved dirt roads. At Milford, Iowa, where the motor routes run largely over paved and graveled roads, the cost per pupil per day for transportation was fourteen cents, or nine cents less than the average cost of motor transportation in those schools where the routes run largely over dirt roads.

**Cost in various states.** In the fifteen farm-life schools in various states studied in Chapter XVI the cost of transporting children to school ranged from thirteen cents per pupil per day to thirty cents per pupil per day, the average cost being twenty-one cents.

**A ride home from school.** The following observations made by the writer illustrate well-managed transportation. At the close of school the motor busses drew up before the schoolhouse, and the pupils marched down and took their places in their respective busses quickly and in orderly fashion. In reply to

an inquiry concerning the length of his route the driver replied, "The last house on my route is seven miles from the schoolhouse." The writer took a seat in the bus with the twenty children. The ride home from school began over dirt roads badly rutted from recent rains. Within five minutes the first farm home was reached, and two children alighted. In two minutes more we had reached the next home. Within twenty minutes half the children had been distributed to their homes. The last child reached his home, seven miles out, in just thirty-nine minutes from the time we left the schoolhouse.

When we walked home from the rural school in boyhood days we did not always cover the one mile home as quickly as the motor bus had covered these seven miles. Wading in the creek, teasing the girls with garter snakes, snowballing or fighting, often consumed so much time that it took considerably more than thirty-nine minutes for the members of the dinner-pail brigade from the old district school to reach their various homes.

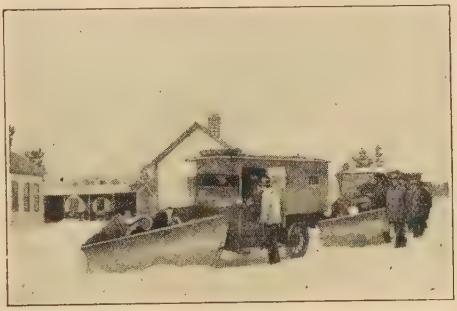
**Order and comfort.** In reply to a question concerning the conduct maintained by the pupils in the bus, the driver said: "This bus is a traveling schoolroom. The driver and the pupils are under the same discipline and direct responsibility to the superintendent as the teacher and her pupils in the schoolroom." Then he added, "This is a mighty fine lot of pupils." When asked whether he was able to keep the children comfortable during the bitter cold weather, the driver indicated the glass windows of the bus with a sweep of his hand, saying, "You see this bus can be closed up as snug as an inclosed automobile, and that heater in the floor attached to the engine exhaust kept the bus so comfortable that I didn't wear an overcoat for driving even during the coldest winter weather." Again there rose visions of morning walks to school through the deep snow, facing the bitter northwest wind of a northern winter. There were Walter and Bill and Jim and Don kicking their copper-tipped boots against fence posts to keep their toes

from freezing; there were the girls with ears turning white in the frosty air. The teacher would say, "Better hold a handful of snow on that white ear and thaw it out gradually." Then how the ear smarted and burned and felt as big as a water pail all day!

**Walking to school and riding to school.** Parents whose children have never been carried to school by a well-managed, well-equipped system of transportation are often alarmed at the prospect of transportation when the improvement of schools through enlarging the district is proposed. Such parents should avail themselves of the earliest opportunity to visit schools having good systems of motor transport. They should make personal investigation by riding with the children in the school busses and talking with the parents who live toward the outer ends of the routes. If the opportunity for a personal investigation does not present itself, a comparison of walking to school and riding to school may be enlightening. In the Middle West the longest walk to the district school is usually not more than two or three miles. The longest ride to the consolidated school is usually not more than eight or ten miles. When the thermometer stands at 15 or 20 degrees below zero, the pupils cannot walk three miles as comfortably or as safely as they can ride ten miles in the proper kind of conveyance, nor can they walk three miles in a heavy rain as comfortably or as safely as they can ride ten miles in a heavy rain in the proper

WALKING HOME FROM THE RURAL SCHOOL, A DISTANCE OF TWO MILES, WITH THE TEMPERATURE 14° BELOW ZERO

kind of conveyance. The writer visited a farm-life school in the Middle West on a very rainy morning at a time when the roads were unusually muddy. He was surprised to find that all the motor busses arrived on time. The children stepped from the busses into the schoolhouse with dry feet and dry clothing, ready for a good day's work. Two tardy pupils were observed; both lived in the town and walked to school. A visit to a rural district school on this rainy, muddy day revealed the fact that of the ten pupils enrolled in the rural school but one was present for the day. The other nine had remained at home on account of the difficulty of walking to the schoolhouse over muddy roads in the driving rain.



SCHOOL MOTOR BUSSES IN MINNESOTA ARE EQUIPPED WITH SNOWPLOWS

**Attendance and punctuality improved by transportation.** Where the school bus gathering up a load of children stops regularly before the child's home every morning of the school year, the attraction and enthusiasm of numbers and the law of habit act powerfully in securing regularity of attendance. When the driver is held directly responsible for punctuality, and he in turn holds the parents directly responsible, the improvement in punctuality over the conditions existing in the old rural school is very marked. It is not at all unusual for farm-life schools employing a transportation system to maintain an average attendance of from 90 to 95 per cent and a record for punctuality that is almost perfect.

**Large successful schools made possible by successful transportation.** Good roads, good motor vehicles, competent drivers, and efficient management are literally working wonders in the

transportation of children to school in country communities. Half the schools studied in Chapter XVI are transporting children 8 or more miles to school. At the Spartanburg school in Indiana the children are being transported 15 miles in 90 minutes. At Ramer, Alabama, the motor bus brings children from 17 miles away in 70 minutes. At Center, Colorado, an 18-mile route is covered by the school bus in 70 minutes, and at Del Norte, Colorado, a route 21 miles long is covered in the same time. At Holcomb, Kansas, a route 22 miles long is covered in 75 minutes. Modern transportation is making possible the organization and operation in country communities of modern farm-life schools that have no superiors anywhere. Boards of education and superintendents in these school districts will do well to take great pains in developing their transportation systems to the highest point of efficiency, since it is one of the most vital factors in improving educational facilities in country communities. Good transportation makes it possible to bring together in one school a group of pupils large enough to permit of the most effective organization of classes for purposes of instruction; good transportation makes it possible to assemble the farm youth from widely scattered homes to sing together, to play together, to study together, and to learn to work together in successful coöperative agriculture.

# CHAPTER XXII

## GOOD ROADS AND THE RURAL COMMUNITY

Good roads are one of the most important factors in bringing together children enough in the rural community to form a modern farm-life school; good roads make it possible to assemble quickly and economically a large group of farm children to sing together, to play together, to study together, and finally to learn to work together in successful coöperative farm enterprise.

America is just launching into the greatest road-building program that any nation has had in the world's history. Each year the engineering work accomplished reaches a total several times that required to build the Panama Canal, formerly looked upon as the greatest of engineering feats. The number of miles of new hard-surfaced roads built each year in the United States would more than reach round the world. This program to improve the 2,900,000 miles of country roads in America is a tremendous undertaking and one fraught with far-reaching possibilities to American civilization.

In the past the costly barriers of time and space have prevented rural people from grouping themselves in large efficient units. Good roads and motor vehicles remove these barriers in great part. In the days of mud roads and horse-drawn vehicles only small groups of the scattered farm population could be gathered together for the support of school or church; now, with hard-surfaced roads and motor vehicles, it is becoming possible to group rural people for these purposes in very much larger groups gathered from a very much wider territory. Good roads make it possible to associate the people in large, efficient groups for the support of libraries, hospitals, dental and medi-

cal service, and the support of recreational centers. Formerly these services were provided for a small rural group at a high per capita cost or a low standard of service was furnished. Now, thanks to good roads, it is possible to associate the people of entire counties and in some cases even larger areas, making the group so large that the per capita cost is much

STUCK IN A MUDHOLE IN THE CORN BELT

reduced and the standard of service is improved. Thus good roads make possible to a considerable extent the removal of one of the chief handicaps from which rural life has suffered — the handicap of the small group.

**Cost per ton mile reduced by good roads.** Careful tests both in the United States and in Canada reveal the fact that there is a marked saving in cost per ton mile in moving produce by motor truck over hard-surfaced roads as compared with moving the same loads over dirt roads. A careful series of experi-

ments by highway engineers in the United States[1] showed the following results per gallon of gasoline consumed: on earth roads 14 ton miles per gallon, on gravel roads 21 ton miles, and on concrete roads 31 ton miles. More than half the fuel bill was saved on the concrete road as compared with the earth road. Research studies made on several main highways show that on roads which usually carry the traffic of a main line the saving on fuel alone in ten years is enough to pay the cost of concrete paving.

The Canadian experiments[2] showed that a light commercial truck moved its load over the following number of miles per gallon of gasoline consumed: earth roads, 6.93 miles; gravel roads, 8.62 miles; macadam roads, 11.38 miles; paved roads, 13.9 miles. This test, like that made in the United States, reveals the fact that it takes less than half as much fuel to move a load over the smooth, hard surface of a paved road as it does to move the same load over an improved earth road. In addition to the saving in the cost of fuel, the hard-surfaced road brings a saving in time resulting from greater speed and larger loads per driver. It brings also the saving in the depreciation of motor vehicles which results from operating them over a smooth, hard surface as compared with operating them in the mud. These savings run into many millions of dollars a year.

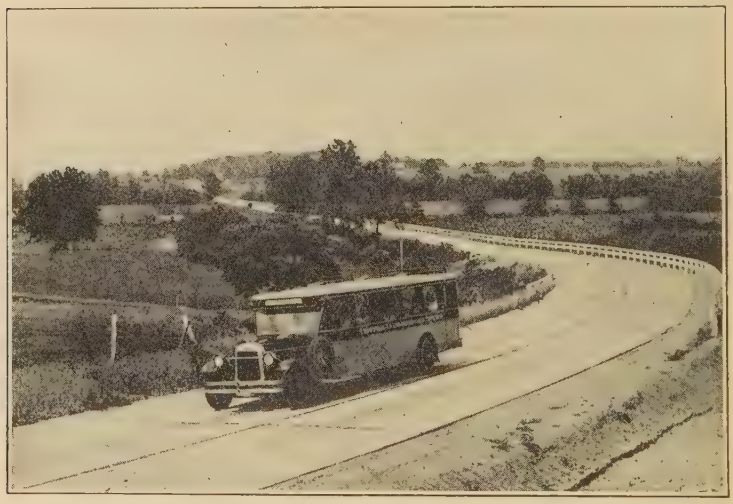
Investigations by the Congressional Agricultural Commission revealed that in 1918 the cost of hauling by wagon on earth roads from farm to shipping point averaged, approximately, 30 cents per ton mile for wheat, 33 cents for corn, and 48 cents for cotton. Over the same routes, which are now paved, and with motor trucks instead of teams, the cost per ton mile is 15 cents for wheat and corn and 18 cents for cotton.

[1] Service Bulletin of the Chief Engineer of the Iowa Highway Commission, August-September, 1922.

[2] Report of the Commissioner of Highways for the Dominion of Canada, in the *Highway Engineer and Contractor*, August, 1922.

More than half the former cost of hauling produce to market is now being saved. In one case this amounted to $150 saved in the marketing of one year's crop of one farmer.

**The wider reach of good roads.** Good roads not only connect the farm home with the market town, the school, the church, the doctor's office, the library, the hospital, the recreational centers, and the homes of the neighbors, but they connect



THE NEW ROAD AND THE NEW MEANS OF RAPID TRANSPORTATION

one town with another, one community with another, and one state with another. Since the coming of the motor vehicle the country roads serve to connect all homes, both rural and urban, with the homes of distant relatives and friends, with the natural scenic wonders of the continent, with large business centers, and with the nation's storehouses and military posts. Hence the improvement of country roads improves conditions of life for the whole people for the purposes of peace and adds to the national strength should it become necessary to use the highways for the purpose of war.

The country road has become an important link in the chain of transportation facilities which now binds together the homes of the people of civilized lands all over the world. For this reason country roads are taking on increased importance. The country road leads from the farm home to the railway station; the railway and the motor highway lead to the seaport; steamship lines cross to the seaports of all the continents; here the railways and the motor highways take up the task of transportation from these seaports to the interior of the continents, and, finally, country roads reach to the homes of the people in distant lands. Thus modern transportation facilities, in which improved country highways form a very important link, bind together the people of the modern world in closer social and commercial intercourse. At this point let us examine briefly the history of road-building in the United States.

**Pioneer road-building.** In the early history of Massachusetts Colony the New England towns (townships) broke up into local road districts before they broke up into local school districts. Country roads at that time were little more than Indian trails through forest and swamp. They had to be sufficiently widened in the forest and filled in the swamps to permit the passage of local traffic, which consisted largely of the two-wheeled New England oxcart, the chief vehicle of the time. The smaller streams had to be bridged. Little attempt was made to cross larger streams; and when this was done, the ferryboat was used. There was no need to prepare roads for high-speed vehicles, as there were none. There was little interest in nation-wide or state-wide or even county-wide travel over country roads. Under these conditions there was no need for a widespread, comprehensive plan of taxation for road-building, and the crude engineering needed in the building of these roads was not beyond the skill of the local road boss and his gang of farmers working out their road taxes. As our population spread westward, the same local plan of opening roads in the new country was generally followed.

To the PUBLIC.

THE FLYING MACHINE, kept by John Mercereau, at the New-Blazing-Star-Ferry, near New-York, ſets off from Powles-Hook every Monday, Wedneſday, and Friday Mornings, for Philadelphia, and performs the Journey in a Day and a Half, for the Summer Seaſon, till the 1ſt of November; from that Time to go twice a Week till the firſt of May, when they again perform it three Times a Week. When the Stages go only twice a Week, they ſet off Mondays and Thurſdays. The Waggons in Philadelphia ſet out from the Sign of the George, in Second-ſtreet, the ſame Morning. The Paſſengers are deſired to croſs the Ferry the Evening before, as the Stages muſt ſet off early the next Morning. The Price for each Paſſenger is *Twenty Shillings*, Proc. and Goods as uſual. Paſſengers going Part of the Way to pay in Proportion.

As the Proprietor has made ſuch Improvements upon the Machines, one of which is in Imitation of a Coach, he hopes to merit the Favour of the Publick.

JOHN MERCEREAU.

*New York Gazette 1771.*

ADVERTISEMENT IN THE *NEW YORK GAZETTE* AND THE *WEEKLY MERCURY*, MAY 6, 1771

**Early interest in long-distance travel.** With the rapid settlement of the territory westward from the Appalachian Mountains to the Mississippi River following the War of 1812, public

interest in long-distance travel over the wagon roads increased. A national highway was built (largely at Federal expense) from Cumberland, Maryland, almost to St. Louis for the purpose of opening a traffic route from the new West to the Eastern seaboard. The railroads began to be built in 1825, and for a time this checked public interest in traffic over wagon roads.

**Interest in long-distance travel renewed by motor vehicles.** The advent of motor vehicles brought a tremendous increase of public interest in long-distance travel over country roads. Farmers, as well as city people, began to desire the improvement of country roads to the point where they would permit of high-speed motor travel over a wide radius throughout the year. The growing usefulness of the motor truck in moving farm produce to market and in transporting freight, express, and passengers from town to town has helped to increase public interest in long-distance travel over country roads.

**Evolution of country roads.** Country roads in America have been gradually improved as the communities served by them have developed. The improvement in country communities and in country roads since pioneer times is interestingly told by Hugh J. Hughes in the *Country Gentleman*:

When Jim Jones's grandfather landed in New York, headed for the West, he took steamer up to Albany, followed the Erie Canal to Buffalo and bought passage on a Great Lakes schooner bound for Milwaukee. There he bought a yoke of oxen and a wagon, loaded a few necessities into the wagon and struck out for government land in the hills of Monroe County.

Time and much "geeing" and "hawing" brought him to his destination. Back in the forks of the Big Creek he found a piece of land to his liking and set about the business of logging out a farm. His nearest neighbor was two miles away, his nearest market, seven. In the winter he cut cordwood; in the summer time he grubbed and farmed his slowly spreading tilled acres. His cows ranged in the woods. Come fall he had a hog-killing, and if there was a load or two of wheat left over after the grist for the year was ground down at

Manny Robert's mill, he hauled it to town. The shearing made another paying trip to market. A few eggs and the butter churned in the old dasher churn paid for the groceries and tea and tobacco. The livestock buyer came round once or twice a year and haggled for the steers — and got them at his own price.

The belief that he had a road to market was, like the famous story of Mark Twain's death, "grossly exaggerated." There was a trail. Beyond the back edge of his farm it was a cow path and nothing more; toward town there were wheel tracks, shoveled down banks where the trail forded the creek, a furrow where it skirted a steep hillside on the one hand and a marsh on the other; then more wheel tracks, a rough blazed dugway over the ridge, and so on to town.

But it managed to serve in Grandfather Jones's day. Many a load of cordwood tipped over, to the loss of both time and temper. As to loading, you had three choices: start out with half a load and go over the hill with much shouting; load for the level land and throw off half at the foot of the hill, doubling back; or else tie in with a neighbor and help each other over.

So things were in Grandfather Jones's day. A log-buttressed pole bridge was built where the ford had been, and they worked the dugway a little, and old Pat Moss even dared to rock-ballast half a mile of road before they turned him out of the job of road overseer, but the crest of the ridge was as high as ever and its grade as steep. That was thirty years ago.

The other day I went back to the valley on one of those occasional trips a busy man has to take to set his life compass right, and out of habit I went over the dugway.

Pat Moss's vision had not been in vain. Our car rushed along over hard-surfaced roads where the wheels used to bury their fellies deep in the sand, and the ridge was climbed on the intermediate gear. The valley lay before me, its tilled acres rising to the hill crowns, its log houses gone, and in their places silos, great barns, comfortable homes and contentment. I heard the roar of a motor, and a three-ton truck loaded with cream went tearing by. I thought of the dugway and wondered how it was done. My driver told me: "Ye recollect the Notch Road? Usta be all sand an' a hoss killer. Got it rocked an' graveled now, an' mos' of the travel goes that way. It's furder but it's nearder."

**Difficulties of road-building in agricultural regions.** The building of good roads has proceeded slowly in good agricultural regions because of the greater difficulties encountered in building roads there. The better the conditions of soil and climate for agricultural purposes, the poorer they are for building roads. Deep, fertile soil well adapted to the growth of crops makes very soft roads. An abundance of rainfall necessary to rapid plant growth turns deep fertile soil into a sea of deep sticky mud, which is the very worst kind of road. The winter freezing of the earth in the northern United States, which plays a helpful part in pulverizing the soil for agricultural purposes, softens the roadbed in a disastrous way in the spring, when the frost goes out of the ground. In addition to the road-building difficulties imposed by soil and climate in good agricultural regions, another serious difficulty arises from the fact that road-surfacing material, such as rock, gravel, bitumen, and paving brick, are seldom found in good agricultural regions but must be brought from a considerable distance at large expense.

**Grading and draining the first important engineering problem.** The first important engineering problem in building improved roads is to bring the roadbed to permanent grade and to see that it is properly drained. When bringing the road to permanent grade it should be straightened and made as direct as possible. Careful investigation leads to the estimate that on main-traveled highways the cost of an extra mile to those who use the road is $18,000 annually. Dangerous curves and crossings should be avoided. The hills should be cut and the low places be filled until no grade is steeper than 7 per cent — a rise of seven feet in one hundred. The weight of the load which can be hauled by a given motive power will be limited by the possibility of moving the load up the steepest grade in the road to be traversed. Steep grades are expensive in the long run because they make it necessary to carry less than the maximum load on the level or to add additional motive power on the steep grade. For this reason the railroads are spending

millions of dollars to rebuild their roadbeds and reduce their steeper grades. Care should be taken in this important matter when the highways are being brought to permanent grade.

**Drainage.** After the roadbed is brought to permanent grade it should be well drained to keep it dry and firm. Good drainage is absolutely essential to a good road in agricultural regions where the soil is soft, the rainfall abundant, and where winter freezing softens the roadbed in the spring. Without careful drainage the crown of earth-surfaced roads will be rapidly cut up into water-filled ruts and mudholes during the wet seasons of the year. Without the proper drainage to keep the earth subgrade on which it rests dry and firm, the best hard crust placed over the surface of the road will fail under heavy high-speed traffic. In agricultural regions the problem of drainage must really be solved or the money spent in hard-surfacing the road is wasted. Proper drainage is of fundamental importance whether the surface of the road is to be of earth or of some hard-surfacing material.

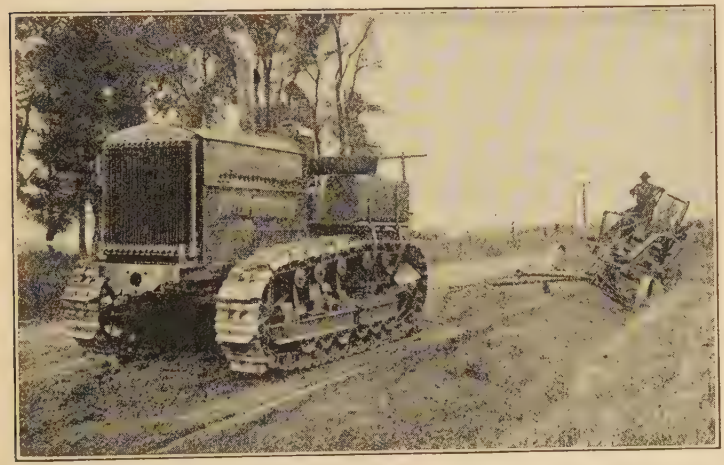
Good drainage is secured by crowning the surface of the road so that the water will run off both sides of the road into open ditches which drain into properly arranged outlets and thus carry the water rapidly away from the roadbed. In those sections of the roadbed where there is a tendency for the earth to remain soft and wet, tile drains are sunk on either side of the road and sometimes under its crown to draw the moisture out of the roadbed and carry it to properly arranged outlets.

The cost of bringing country roads to permanent grade and properly draining them varies all the way from $1000 per mile to $10,000 per mile. This is the first fundamental step in building a good modern highway, and it should be carefully done under the direction of experienced road engineers.

**Selecting the surfacing material the second important engineering problem.** After the roadbed has been brought to permanent grade and properly drained, the second important engineering problem is to select the proper surfacing material.

The choice will depend on several factors, the most important of which are the amount and nature of traffic over the road, the distance to sources of surfacing material, the nature of the soil in the roadbed, and the climatic conditions.

A road with an earth surface cannot be maintained in good condition throughout the year in regions where soil and climate are adapted to agriculture. However, if the traffic is not too

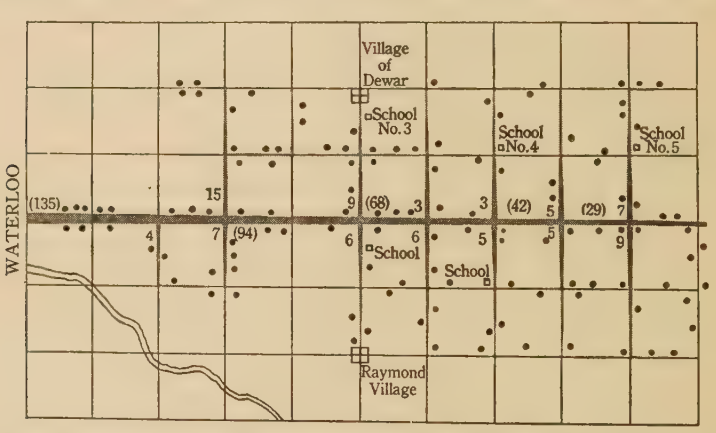


GRADING THE CROWN OF AN EARTH-SURFACED ROAD

heavy and the roadbed is well drained, an earth crown, which is reasonably satisfactory during a major portion of the year, can be maintained by proper dragging. Dragging after each rain, before the road has fully dried, smooths off the rough spots, fills the hollows, and causes the earth to harden somewhat in the sun. As the weight and speed of traffic increase, the earth-surfaced road fails, and it becomes necessary to provide some form of hard-surfacing.

**A road system like a river system.** When studying a road system to estimate the probable future traffic over its various branches and the quality of hard-surfacing that will be needed

on each, it is well to remember that a road system is like a river system. The traffic over the road system of a country community arises from the farm homes and flows over small branches into larger branches and finally out into the main tributary that leads to the market town. The traffic from the market town flows in larger volume over the main road to the county seat or the large city. The main highways connecting




A ROAD SYSTEM IS LIKE A RIVER SYSTEM. SMALL BRANCHES FLOW INTO LARGER BRANCHES, WHICH IN TURN FLOW INTO THE MAIN CHANNEL

This diagram represents the road system leading from a rural community in Iowa into the market town. The mile of road next to the town is used by one hundred and thirty-five farmers; the mile of road nine miles out is used by twenty-nine farmers

county-seat towns and cities carry the main stream of traffic from county to county and from state to state. The marked trails followed by travelers make use of these main highways, which become the trunk lines of heaviest traffic.

**Earth-surfaced roads.** The road from the remote farm home, where there is little travel, can be maintained satisfactorily without hard-surfacing if it is properly graded, drained, and dragged. During the present period from 40,000 to 50,000 miles of road are brought to permanent grade and

drained in the United States each year. Of these, from 30,000 to 40,000 miles in a year are surfaced with various types of surfacing.

**Low-type hard-surfacing.** When the traffic on a branch road becomes so great that an earth surface no longer takes care of it satisfactorily, a low type of hard-surfacing may be used to advantage. Such surfacing may be applied at a cost of from $1500 to $8000 per mile for a sand-clay mixture and from $1500 to $10,000 per mile for plain gravel. There are now in use in the United States about 65,000 miles of sand-clay roads and about 200,000 miles of gravel roads.

**Medium-type hard-surfacing.** When the traffic on main tributaries into the market town has grown to such volume that low-grade surfacing material will not sustain it without too large an outlay for repairs, a medium type of hard-surfacing is desirable. This is furnished in satisfactory form by water-bound macadam; that is, crushed rock or slag rolled on the crown of the road with the larger pieces in the bottom of the crust and the smaller pieces on top. Water-bound and surface-treated macadam usually costs from $8000 to $20,000 per mile. There are approximately 80,000 miles of water-bound macadam and surface-treated macadam roads in use in the United States at present.

**High-grade hard-surfacing.** On the main trunk highways between the larger towns and cities high-type hard-surfacing proves most satisfactory and most economical. The main highways between the larger towns now carry such a large volume of high-speed automobile and truck traffic that it puts a severe strain on even the highest type of hard-surfacing.

Various common types of high-grade hard-surfacing are as follows: *Bituminous macadam* (crushed rock mixed with bitumen), which costs from $15,000 to $35,000 per mile; about 12,000 miles are now in use in the United States. *Bituminous concrete* (a mixture of bitumen, sand, and gravel), which costs from $20,000 to $35,000 per mile; about 5000 miles are in use.

There are also about 1600 miles of *sheet asphalt* roads in use in the United States. *Cement concrete* (a mixture of cement, sand, and crushed rock), which costs from $20,000 to $40,000 per mile; about 16,000 miles are in use. *Paving brick* (on a concrete base), which costs from $40,000 to $50,000 per mile. This is the most durable hard-surfacing, and about 3500 miles

A MODERN CONCRETE HIGHWAY MUCH USED BY THE PEOPLE

are now in use in the United States. There are also about 100 miles of *wood-block* and *stone-block* roads in use and about 12,000 miles of other, miscellaneous types of hard-surfacing. The figures given above are for miles of hard-surfaced country roads outside towns and cities.

**Freight a large item in cost of building roads.** Road-building materials, such as sand, clay, gravel, crushed rock, cement, brick, and bituminous products, are bulky and heavy; and when they must be brought from a considerable distance, the cost of transporting them is a large item in the expense of road-building. Hence one of the important engineering problems

in building roads is to find a way, whenever possible, to use materials which are located near.

**Type of road determined by population and production.** It is obvious that in Western states where the population is sparse, where there are few cities, and where the production per acre is not high, the hard-surfacing used on the main roads will not need to be so wide or so thick or of such high quality as that used in the East, where the population is dense, where large towns and cities are numerous, and where production from field and factory is heavy. To determine as nearly as possible the effect of population and production, present and future, on the type of highways needed is another important engineering problem in road-building.

A BITUMINOUS-MACADAM ROAD IN MARYLAND

**Increased use of improved roads.** Not only does increase in population and production increase the use of the roads, but improvement in the roads and in motor vehicles causes each person to use the roads more often and over a greater radius. A generation ago it was uncommon to see more than two or three vehicles on the country road at one time unless there was a funeral or a public celebration in progress. Now eight or ten vehicles in sight at one time is a common occurrence. It is estimated that the improvement of the roads and the great increase in the number of motor vehicles and in the distances traveled by each have increased traffic on country roads 400 per cent during the last few years. Where traffic converges over trunk highways the increase is much more than 400 per cent.

**Rapid increase in motor vehicles.** One reason for the rapid increase in the use of the roads is found in the very rapid increase in the number of motor vehicles in use throughout the United States. This increase is well illustrated by the situation in Iowa. In 1912 there were 47,184 motor vehicles in use in this state; by 1918 the number had reached 278,313, and by 1922 it had risen to 450,000. The number of motor vehicles in use in this agricultural state increased approximately ten times in ten years. It is estimated that there were 12,000,000 motor vehicles in use in the United States in 1922 and that there will be approximately 24,000,000 in use in 1932.

**Increased traffic over an Iowa road.** The home of the writer is on Iowa Primary Road No. 5, between the two chief market towns of Black Hawk County. A few years ago a well-dragged earth surface sufficed to carry the traffic on this road. As the number of automobiles increased, the earth surface was unable to bear the traffic, and the road was heavily graveled. Within two years the automobile and motor-truck traffic over this graveled road was so heavy that gravel could no longer carry it, and it became necessary to surface the road with high-type hard-surfacing. Brick on a concrete base, asphalt filled, was used, at a cost of $42,000 per mile. The improvement of the road was extended across the county by hard-surfacing with concrete. Two interstate trails were converged over this road, and within a year it was carrying five times the traffic which it had carried as a graveled road. A count of the traffic over this road made at the writer's home for seven consecutive days revealed the fact that in that time 14,032 vehicles passed, 1495 of which were motor trucks, 11,960 were automobiles, and only 164, or less than 2 per cent, were drawn by horses. This count was made in 1921. Since then the heavier type of motor traffic has greatly increased. Three bus lines now operate over this road, and large, heavy motor busses pass at high speed every fifteen minutes.

**Traffic count by road engineers.** The great increase in the use of motor vehicles makes it necessary for road engineers to make careful counts of road traffic from time to time as the basis for future road-building operations. The traffic count made by the State Highway Commission of Massachusetts at forty-four stations on main lines revealed the conditions shown in the table below:

DAILY TRAFFIC ON THE MAIN ROADS OF MASSACHUSETTS

| FORTY-FOUR STATIONS | 1909 | 1912 | 1915 | 1918 |
|---|---|---|---|---|
| Light horse-drawn vehicles | 91 | 68 | 40 | 24 |
| Heavy horse-drawn vehicles | 88 | 88 | 72 | 43 |
| *Total* . . . . . | 179 | 156 | 112 | 67, decreased 62 per cent |
| Automobiles and light trucks | 131 | 280 | 555 | 923 |
| Heavy trucks . . . . . | — | 17 | 45 | 75 |
| *Total* . . . . . | 131 | 297 | 600 | 998, increased 700 per cent |
| *Total number of vehicles* | 310 | 453 | 712 | 1065 |

Colonel W. D. Sohier, chairman of the Massachusetts Highway Commission, says:

It is astonishing but true that while horse-drawn vehicles constituted 57 per cent of all the traffic on our main highways in 1909 in 1918 there was only 6 per cent of the traffic horse-drawn vehicles; and motor vehicles, which were only 43 per cent of our traffic in 1909, were 94 per cent in 1918. We must not forget that the total traffic using the roads has increased over three fold.

In 1909 there were practically no trucks using our roads. In 1912 there was an average of 17. In 1915 there were 45, and in 1918, 75, using the roads at the same stations. In other words, the number of trucks using the main highway has increased $4\frac{1}{2}$ times in 6 years. Truck traffic going to the city of Lynn, which is a large manufacturing city situated about 11 miles from Boston, increased from 176 a day to 398 a day in three years.

**The motor truck a road destroyer.** The motor truck has brought a new and difficult problem for road builders to solve. The wear and tear on the road increases in proportion to the weight of the load carried and in proportion to the *square* of the speed. A modern motor truck loaded to a weight of five tons and traveling at the rate of twenty miles an hour exerts a destructive force on the road one hundred and twenty-five times as great as that exerted by the old-fashioned one-ton load moving at the rate of four miles an hour. During the World War the best hard-surfaced roads in Ohio, Pennsylvania, and New York, which were thought by their designers to be capable of meeting all modern traffic needs, broke up in a few days under the tremendous impact of continuous processions of heavily loaded army trucks traveling to the Eastern seaboard at high speed when the ground was soft in the spring. No doubt such processions of modern motor trucks heavily loaded and traveling at high speed would have quickly destroyed the celebrated Roman roads in England, which for fifteen hundred years successfully bore the military and trade traffic of those times. These roads were built during the Roman occupation of England in the second, third, and fourth centuries and were so skillfully constructed of broken rock, large pieces at bottom, smaller pieces on top (the forerunner of macadam), that for many centuries they successfully withstood loads of one or two tons moved at the rate of three or four miles an hour by oxen and horses. By way of contrast we must bear in mind that modern motor trucks carry loads of from four to seven tons at a speed of from fifteen to twenty miles an hour. Unless a limit is placed on the weight that motor trucks may carry, it will be impossible for road engineers to design, except at prohibitive cost, hard-surfaced construction which will carry these increasing loads. Heavy trucks often make necessary a road surfacing costing $50,000 per mile where light trucks, automobiles, and horse traffic would be adequately cared for by a hard surface costing not more than $25,000 per mile.

**Road maintenance important.** Proper construction makes a good road; proper repair keeps it good. Experience has shown that it does not pay to build a good road and then permit it to deteriorate for lack of repair under the tremendous strain of modern high-speed traffic. President Harding said in his first message to Congress:

> There is begun a new era in highway construction, the outlay for which runs far into hundreds of millions of dollars. Highways, no matter how generous the outlay for construction, cannot be maintained without patrol and constant repair. Such conditions insisted on in the grant of Federal aid will safeguard the public, which pays.

**The road patrolman.** The road patrolman takes the stitch in time. A little repair saves a bad fault. The American people must be taught that spending money for constant patrol and immediate repair of well-built roads is true economy, that to keep the drainage system in good working order and the hard-surfacing intact is as important as to build these things in the first place, and that to permit expensive roads to deteriorate through lack of proper maintenance is just what President Harding called it, "shocking waste." Along the splendid highways of France the road patrolman is a familiar sight. His materials for repairing the road are arranged in neat piles at convenient points. When a fault appears it is attended to immediately, before passing traffic has increased it. That is why France has such splendid roads.

**Road patrol in Wisconsin.** Wisconsin offers a good example of patrolled state highways. The number of miles assigned to a patrolman varies from six miles on difficult stretches of earth road to as much as twenty miles on some of the stretches of high-type surfacing. Schools are conducted by the highway engineers to prepare these patrolmen to do their work well. A. R. Hirst, state-highway engineer of Wisconsin, says:

> Every patrol section has a sign at each end giving the name of the patrolman each way from that point. These signs are placed so that

the traveler may know who is responsible for the maintenance of the section of road over which he has just passed and of the section into which he is passing. We have found these signs very valuable in stimulating the natural spirit of competition and pride, which should exist in patrol work.

**Road patrol in Utah.** Utah has found the patrol system to be very effective. Ira B. Browning, state-road engineer, says:

The road patrol system for hard-surfaced roads, macadam, and earth roads, has proved to be the most effective method of maintaining highways under heavy traffic. The maintenance of earth and shale or gravel-surfaced roads is becoming more of a problem as the traffic and intensity of loading increase. It has been demonstrated in Utah that the greatest saving and improvement are effected by establishing a patrol system for the main roads. If a foreman residing along the road has a 10-mile section extending each side of his home, and he is authorized and encouraged to plan ahead for the requirements of his road section, he will have piles of material suitable for repairing ruts and maintaining the road surface in good condition, at convenient points along the road. He will so plan his work that the grading, crowning, dragging, and draining of the roads will be attended to at the proper time, even though this may be outside of the ordinary working hours. Allowing a road section foreman the initiative and placing upon him the responsibility of maintaining his road in commendable condition for traffic, has proved, where the foreman had ambition and capacity, the most economical and effective system yet devised and tested in this State.

**Expert opinion on road patrol.** Thomas H. McDonald, chief of the United States Bureau of Public Roads, says:

There can be no doubt that the systematic care of the highways and the immediate attention which is generally understood to be the essence of the patrol system are absolutely essential for the proper maintenance of our highways. In practice it has been found advisable to supplement the efforts of the patrolmen. The patrolman can make such repairs as the filling of small holes; he can keep the road shoulders trimmed and the mouths of culverts and ditches

cleaned out; he can also treat cracks in concrete roads with bituminous materials. For the repair of badly damaged concrete or bituminous pavements a gang equipped with a certain amount of machinery is essential.

One of the duties of the road patrolman in some states is to be on the lookout for the road-destroying motor truck. The

THE ROAD PATROLMAN UNLOADING AN OVERLOADED TRUCK

Courtesy of the *Literary Digest*

road patrolmen in these states are provided with instruments for weighing loaded trucks. The drivers of overloaded trucks are compelled to unload some of the cargo beside the road until the load is reduced to legal limits.

**Keeping roads open to motor traffic in winter.** Now that a large percentage of the traffic is by motor vehicles, there is a growing demand in northern states that horse-drawn traffic use sleighs of standard width, so that the sleighs and motor vehicles may coöperate in opening a track through the deep snow of proper width for both. Minnesota, Wisconsin, and Iowa have passed legislation seeking to bring about this help-

ful coöperation between sleighs and motor vehicles. Where heavy trucks are using paved roads it is found wise to keep the roadway cleared of snow; otherwise the trucks travel in the same pathway, and their chains cut channels in the pavement. Pennsylvania places snow fences to protect its main highways and clears the highways with snowplows propelled by powerful trucks. As winter is the season when the farmer and his family have most leisure time for visiting about the community, when business trips of some length are made, when his children go daily over the road to school, and when he wishes to haul his heavy produce to market, the dragging down of rough frozen earth roads and the opening of snow-blocked roads for motor traffic are matters which are rapidly increasing in importance. Effective road patrol will contribute much to increase motor traffic in winter over northern roads.

**Who should pay for road improvement?** We have seen that it costs a large amount of money to build highways that will withstand heavy, high-speed motor traffic and to keep these highways in a constant state of repair. The question Who should pay for the building and upkeep of these highways? naturally arises. The answer usually given is that those who use the highways should pay for them. This leads to the question Who use the highways?

**Local and through traffic.** In order to answer accurately the question Who use the highways? the highway commissions of the various states conduct traffic counts from time to time. These counts reveal the fact that motor vehicles constitute about 95 per cent of the traffic on the main highways and horse-drawn vehicles about 5 per cent. They also reveal the fact that through traffic is increasing much faster than local traffic; that is, now that the people have motor vehicles and good roads on which to use them, they do not confine their travel to the local community but are rapidly increasing the amount of their travel over the roads of other communities, other counties, and other states. The traffic count by the highway

commission revealed the fact that local traffic in Iowa in 1917 constituted 94 per cent of the total, and through traffic 6 per cent. By 1919 through traffic had increased to 23 per cent of the total. In 1922 the traffic count made by the writer on Iowa Primary Road No. 5 showed that on that road through traffic constituted 44 per cent of the total. Of 3127 vehicles which passed on one day, 1232 were from eighty-one other counties of the state and 167 were from twenty other states. The answer to the question Who uses the improved highways? seems to be that the owners of motor vehicles everywhere, from city and country, from within the county and from other counties and other states, are the chief users of these highways.

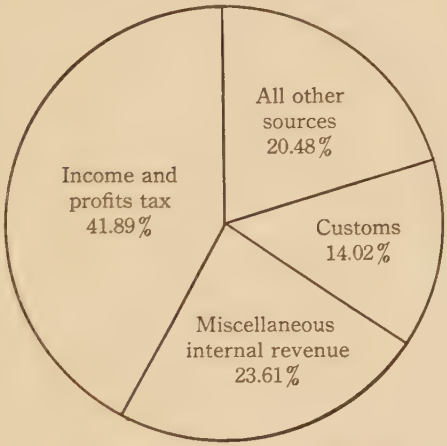
**Taxing road users for road improvement.** Acting in line with the theory that those who use the roads should pay for road improvement, the various states have placed a license tax on motor vehicles, the proceeds to be used for road improvement. Because of the rapid increase in the number of motor vehicles in the various states and because of the tendency among state legislatures to increase the amount of tax on each motor vehicle for road-building, the funds derived from this source have increased very rapidly. In 1908 Governor Austin L. Crothers of Maryland, in recommending to the legislature of that state a license tax on automobiles for road-building, remarked, "In time it is probable that revenue from this source will reach $100,000 per year." Twelve years later (1920) the funds derived from this source in Maryland had reached the surprising total of $2,500,000 a year. In Iowa road-building funds received from the motor-vehicle tax increased rapidly from 1912 to 1920, as follows: $485,300 in 1912, $1,393,139 in 1915, $2,547,595 in 1918, and $7,507,202 in 1920. This is an increase of 1500 per cent in eight years. It is evident that the principle of taxing the users of motor vehicles to raise funds for road improvement is bringing results in those states where a heavy auto-license fee is imposed.

**Taxing gasoline for road improvement.** There is a growing feeling that the owners of motor vehicles should pay for road improvement in proportion to the amount each uses the road. Acting in line with this principle a number of states have placed a supplementary tax on gasoline used in motor vehicles, the proceeds of the tax to be used for road improvement. It is thought that the amount of gasoline used in a motor vehicle represents fairly well the amount of use which that vehicle makes of the roads and that by collecting the tax at the filling station the proceeds can be kept in the states or counties where the roads were used.

**Excess taxes on motor busses and motor trucks for road improvement.** Since heavy vehicles traveling at high speed produce excessive wear on the roads, the tendency is growing for the state to place an excess license tax on the heavy high-speed vehicles of motor-transportation companies handling passengers, express, or freight over the highways of the state, the proceeds to be used for road improvement. Some states levy a special tax on motor trucks from other states using their highways.

**Should those who do not use the improved roads help to pay for them?** The question naturally arises, Do those who receive no benefit directly from road improvement through using the improved roads receive so much benefit indirectly that they should help to bear a portion of the expense of road improvement? In the United States the practice is now followed of taxing the people of the nation for the purpose of assisting in paying the expense of improving the highways. This is done on the theory that the improvement of highways promotes the general welfare of the whole people; that improved highways strengthen the nation in time of war; that they lessen the spread between producer and consumer by reducing the cost of transportation over the country highways, thus benefiting both producer and consumer; and that they promote the better education of the people. Acting in line with the theory that the

improvement of highways promotes the welfare of the whole people, Congress from 1916 to 1923 appropriated funds to the total amount of $284,380,339 for aid in building improved highways. These funds are secured largely from internal revenue paid into the United States Treasury as income tax, profits tax, and miscellaneous internal revenue; also from customs duties on imported goods. The legislatures in a considerable number of states have acted in line with the theory that the improvement of the highways of the state promotes the general welfare of all the people of the state and have provided for raising funds for highway improvement in the state by a general tax on the property of the state.




SOURCES OF FEDERAL FUNDS, 1923

**Should property receiving special benefit pay a special tax for road improvement?** Farm land and other property adjacent to a highway is increased in value by the improvement of the highway. Should this property which receives special benefit from the improvement of the highway make a special contribution to the expense of building the highway? Some states levy a special road tax on the property benefited, others do not. Farmers are more active in opposing highway improvement when the special road tax is levied on farm land than when it is not.

An illustration will make clear how the special land tax for building improved highways operates in states that make use of this plan. In a Middle Western state one eighth of the cost

of building improved highways is borne by a strip of farm land one and one-half miles wide on each side of the improved road. The tax is graduated, the land lying next to the road paying more per acre than the more remote lands. Under this plan a cement concrete highway built in 1923 at a cost of $26,000 per mile was paid for as follows:

| | |
|---|---|
| Federal aid (from income tax, profits tax, customs duties, etc.) | $12,797 |
| State funds (from motor-vehicle licenses) | 9,953 |
| Special tax on strip of farm land three miles wide | 3,250 |
| *Total cost per mile* | $26,000 |

In this case the tax on the adjoining farm lands was approximately as follows:

Strips one-fourth mile wide adjoining the road on either side, $2.72 per acre
Second strips one-fourth mile wide on either side of the road, $2.48 per acre
Third strips one-fourth mile wide on either side of the road, $2.02 per acre
Fourth strips one-fourth mile wide on either side of the road, $1.55 per acre
Fifth strips one-fourth mile wide on either side of the road, $1.00 per acre
Sixth strips one-fourth mile wide on either side of the road, $0.50 per acre

Under the laws of this state the special assessments on farm lands for road-building may be paid in ten annual installments with interest at 6 per cent on the part remaining unpaid.

It is sometimes argued that the farmer's needs are met by surfacing the road leading to his market town with the less expensive surfacing, such as sand-clay or gravel; that his contribution through a special land tax should not exceed his share of the amount necessary to surface the road with low-type surfacing, such as sand-clay or gravel; and that the cost of improving the highway above this low standard should be borne by the motor traffic that uses the highway and by the whole people through Federal aid. If the special tax on the farm lands described above had been based on the cost of graveling this road it would have been only 30 per cent as high; that is, 81 cents, 74 cents, 60 cents, 46 cents, 30 cents, and 15 cents per acre.

**Which highways shall be improved first?** The question of which roads shall be improved first through the use of Federal funds and the state automobile-license and gasoline-tax funds often arouses bitter controversy in rural communities. Some persons desire to have the farm-to-market roads improved first with low-type surfacing suitable to their needs; others desire the main trunk lines to be improved first with a type of hard-surfacing sufficient to meet the needs of the heavy traffic over them. These are really two phases of the same problem, since in the end all these roads fit together into a complete system just as the branches of a river are all a part of the main stream, and the best results seem to be secured where the improvement of both is carried on jointly. There is no better guide to follow in choosing the roads to be improved first than that principle of service which is a basic tenet of democracy: "The greatest good to the greatest number."

**Borrowing money to build roads.** When states and counties desire to make road improvements at once without waiting for the slow process of accumulating the necessary funds by taxation from year to year, they often borrow the money by selling road bonds and proceed immediately with the improvement. The borrowed money is repaid from time to time from the proceeds of various types of taxation for road purposes. From 1918 to 1920 the people of various states voted to issue bonds for road-building to the amount of $573,000,000. Those states voting bond issues above $20,000,000 each were Minnesota, $75,000,000; Illinois and Missouri, each $60,000,000; Michigan, Pennsylvania, and West Virginia, each $50,000,000; California, $40,000,000; Alabama, $25,000,000; Oregon, $22,500,000. Illinois offers a good example of a state which borrows the necessary funds to put with available Federal-aid funds to build at once the system of main highways connecting the chief towns of the state. Illinois repays this borrowed money out of the proceeds of the license tax on motor vehicles. No special assessment is made in Illinois against farm lands.

**The Federal-aid plan of coöperative road-building.** We have seen that the building of improved roads is expensive, that these roads all fit into the same complete system, and that road improvement contributes to the general welfare of the whole people. For these reasons a coöperative plan has been enacted into law by which the people of the nation as a whole assist the people of the various states in building improved roads. This epoch-making legislation, known as the Federal Aid Road Law,[1] was passed by the Sixty-fourth Congress and signed by President Wilson on July 11, 1916. By 1919 each of the forty-eight states had established a state-highway department competent to receive and administer Federal aid.

The coöperative plan by which the people of the nation, the people of the state, and the people of the county now work together to improve the tremendous mileage of country roads in America is shown in the following outline:

| | People of Nation | People of State | People of County |
|---|---|---|---|
| Legislative Authority | Acts of Congress | Acts of state legislature | Orders of county board of supervisors |
| Source of Funds | Federal funds, income tax, internal revenue, customs duties, etc. | State motor-vehicle tax, gasoline tax, general-property tax | General-property tax, special road-district tax, assessment on farm land benefited by improvement |
| Technical Engineering | Directed by United States Bureau of Roads | Directed by State Highway Commission | Directed by County Engineer |

**Federal standards.** No Federal funds are granted for road improvement unless the work done is up to the standards and specifications set by the United States Bureau of Roads. Be-

[1] Based on that clause of the Constitution which authorizes Congress to establish post roads, and requiring states to meet appropriations of Federal funds with at least an equal appropriation of state funds. The maximum Federal aid permitted has varied from $10,000 per mile to $20,000. This law has been amended to place more liberal construction on post-road requirements.

fore a road-building project may receive Federal aid the plans of the county engineer and the county board of supervisors must be submitted to the State Highway Commission and to the United States Bureau of Roads for approval. This precaution is taken on the principle that the Federal government is not justified in spending the people's money in building roads unless these roads are constructed according to standards which wide experience and research have shown to be desirable and economical.

**The Federal-aid plan successful.** The road improvement which has already been accomplished under the Federal-aid plan shows that it is effective in getting results. During the five years 1919 to 1923 there were completed under this plan 23,285 miles of hard-surfaced roads of various types costing a total of $407,446,910, or an average of $17,500 per mile. Of this total cost the Federal government paid $173,887,911, or approximately $7500 per mile, and the state and local governments paid $233,558,999, or approximately $10,000 per mile.

**State, county, and local roads.** Road-building activities under the Federal-aid plan are at present confined largely to roads of general importance. Where the state as a whole takes the chief responsibility of raising the funds and of coöperating with the Federal government, these main roads are usually known as state roads; where the county takes the chief responsibility of raising the funds and of coöperating with the Federal government, they are usually known as county roads. Roads having only local importance are left to the management of local officials and are usually maintained by local taxation within the county or the township or the local road district. Such roads are usually known as secondary roads or township roads and at present receive no Federal aid.

**Rapid progress in road improvement.** Through Federal-aid projects and other improvements carried on by state and local governments rapid improvement is being made in American country roads. During the year 1922, through all these

agencies combined, 8883.4 miles of earth road were constructed to definite grade with permanent drainage structures, and 34,982.7 miles were partly graded and drained. The mileage surfaced during 1922 was of the following types: sand-clay, 4477.5 miles; gravel, 17,479.9 miles; water-bound macadam, 3358.7 miles; surface-treated macadam, 613.5 miles; bituminous macadam, 1811.1 miles; bituminous concrete, 1020.4 miles; cement concrete, 4958.3 miles; miscellaneous types, 487.2 miles. The total mileage which was hard-surfaced during the year was 34,456 miles, or enough to reach round the world, with an extra lap from London to San Francisco.

**Federal aid for improvement of secondary roads.** The tendency is to turn more and more attention to improving the secondary, or township, roads. Although these secondary roads carry a lighter traffic, they are to a large extent the roads on which the farm homes are located, and the farmers want the roads improved from their homes out to the main highways as soon as possible. These are the roads over which the farmer must do his farm-to-market hauling, transport his children to school, drive to church, and go about his activities in the farm community. Of the 2,900,000 miles of country roads in the United States it may be roughly stated that 900,000 miles will develop importance as main highways carrying heavy traffic and will serve in a very direct way the needs of 70 per cent of our population. The 2,000,000 miles of lesser branch roads to the farm homes will remain of secondary importance in amount of traffic carried per mile, but will always be of primary importance in the activities of the 30 per cent of our people who live on the farms. It is important that the farmer cease his complaints about building roads for tourists and coöperate heartily in the building of main highways where the traffic is heaviest. This he is inclined to do as he makes a greater use of his motor car for long trips and of his motor truck to transport his produce directly to the larger market. It is also important

that the whole people should keep up their interest in road-building after the main highways have been improved and that the Federal-aid plan should be extended to help the farmers to put in good condition the 2,000,000 miles of secondary roads on which their homes are located. Federal aid on the secondary-road system will bring results rapidly, since the amount of money required to build one mile of high-type main highway for heavy traffic will often build ten miles of the low type suitable for the light traffic of secondary roads. To promote the general welfare the people of the nation as a whole should continuously coöperate with the farmers in the improvement of the 2,000,000 miles of lesser branch roads which reach to the farm homes.

This problem of improving the local roads to the homes of the farmers will become the most difficult and the most important road-building problem in the United States. The interest of the American people in road improvement should not be permitted to lag when the main highway system that serves the people of the cities directly has been completed. It should be kept alive and be centered upon the problem of developing the local roads that serve the farmers directly. These roads are all part of one great system that finally serves all the people, city and rural alike.

**Modern man and his modern road.** In conclusion we may say that modern man measures distance on the road not in miles but in minutes. "Time is money." Ease and rapidity in moving about in a wider zone is one of the greatest blessings which modern civilization has brought to man and one of the most effective means of removing the natural economic handicap that rests on rural life. Whether it is in going to school or to church or to trade; whether it is in calling the doctor or in delivering bulky produce the moment the market comes right; whether it is in pleasure trips through neighboring communities or in occasional visits to relatives at a distance or to national beauty spots; whether it is when war or strikes or other national

calamities force tremendously increased traffic to and from the nation's storehouses, industrial centers, and military establishments, the advantages of good roads, dependable throughout the year, are obvious. At the close of his career Napoleon, speaking of his greatest service to his country, said, "The system of roads which I have given France will be the most beneficial to her." The vital service which her splendid system of roads rendered to France during the World War confirmed the judgment of the great general. There is no more dramatic example in history of the manner in which good roads may save a nation's life than the dash of General Pétain's rescuing army in motor trucks into the breach at Verdun in time to stop the German advance and make good the vow of France, "They shall not pass!"

**Good roads and advancing civilization.** An increasing use of the roads is intimately bound up with the development of the life of every civilized man, of every civilized community, of every civilized state, and of every civilized nation. Hence the growing importance of good roads to the people of the United States. If the farmer is to partake equally in the advantages of civilization, the roads must be improved from his home to his school, his church, and his market town. Good roads, good schools, and effective coöperative marketing are three great constructive forces that build stronger rural communities; and when these forces are coupled with live churches and a deep religious sense of responsibility and service, they will contribute much toward building and preserving a notable civilization on the land.

# CHAPTER XXIII

## THE FINANCIAL SUPPORT OF SCHOOLS IN RURAL COMMUNITIES

We hold this truth to be self-evident that America should provide equal educational opportunities for all her young citizens, and that the cost should be borne equally by all the people, each in proportion to his ability to pay.

To provide equal educational opportunity equally good schools must be maintained within reach of all the children.

Every American believes that farm children should be given as good educational opportunities as other children have. In fact, since farm children have the harder task to perform, they need even better education than others to put them in an equally favorable position to play the game.

Educators now know how to develop as good educational facilities for farm children as other children have when adequate financial support is given.

To give adequate financial support to the schools of rural communities the buying power of the farm must be brought up on a par with the buying power of the other great industries, and the tax load — both the general-tax load and the school-tax load — must be equitably distributed.

We must remember that farmers cannot get the money to pay for good schools except as they get it out of their crops. They cannot get it out of their crops until they cease dumping the crops individually at a loss and begin to market them collectively at a profit. Neither can they bring their full taxing power to bear in the support of their schools until there has been an equitable readjustment of the tax load, both for the support of the state and for the support of the schools.

In former chapters we have discussed coöperative marketing as the most effective means of increasing the farmer's buying power. But in order that the farmer may be able to give adequate financial support to his schools he must secure also an equitable distribution of the tax load.

**The general-property tax heavier on farming than on other occupations.** Students of the tax problem now agree that the general-property tax falls more heavily on some occupations than it does on others. It falls heavily on some occupations because they employ a large amount of visible taxable property and have comparatively small incomes; it falls lightly on other occupations because they employ a small amount of visible taxable property and have comparatively large incomes. To illustrate, let us compare the farmer and the professional man as representing the two extremes in occupations as they are related to the general-property tax. In his occupation the farmer must employ many acres of land and much live stock and machinery. All these are visible taxable property. The income from farming is very small in proportion to the amount of taxable property employed. Hence the general-property tax falls heavily on the farmer. On the other hand, the professional man employs very little visible taxable property in producing his income. His income is very much larger in proportion to the taxable property employed than is the income of the farmer. Hence the general-property tax falls lightly on the professional class. The other occupations arrange themselves somewhere between these two extremes. The position of each depends upon the ratio of visible taxable property to income. As the farmer has the smallest amount of income in proportion to visible taxable property, the property tax falls heaviest on him.

The general-property tax is a just tax when it is applied to persons engaged in the same occupation, but when it is applied to persons engaged in occupations which differ widely in the ratio between visible taxable property and income it becomes

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a very unjust form of taxation. There was a time when the general-property tax was a just tax. When our present state governments were organized, the large majority of the people were engaged in the same occupation, that of farming. Only 5 per cent of the American people lived in urban communities in George Washington's time; 95 per cent were engaged in farming. Now less than 30 per cent of the people live on farms; more than 70 per cent are engaged in other occupations. These other occupations are centered largely in the towns and cities. The general-property tax is still the chief form of taxation used by the states. It falls heavily on farmers and less heavily on those in other occupations. As the ratio of population engaged in other occupations grows greater and greater, the burden laid upon farmers by the general-property tax grows heavier and heavier.

As taxes for state and county purposes are, in most of the states, still raised by means of the general-property tax, the farming people are called on to pay more than their fair share of them. This leaves them less able to pay local taxes for school support.

**Rural communities less able than urban to pay for equivalent schools.** The four chief reasons why rural communities are less able than urban communities to pay for equivalent schools are as follows (see Chapter I):

1. Farmers in most states are forced by the general-property tax to pay more than their fair share of state and county taxes. This makes it harder for rural communities to raise local taxes for schools and easier for urban communities to do it.

2. The bargaining power of unorganized farmers is not equal to the bargaining power of the great organized industries. Unorganized farmers must sell their products to the other industries at a lower price and buy their supplies from these at a higher price. This makes the rural communities less able to pay for good schools and the urban communities more able to do so.

3. The mortgage indebtedness against farm lands held by persons living in urban communities is now very large and is constantly increasing. If there were no mortgages against these farms, the $400,000,000 now paid out annually as interest on farm mortgages could be kept in the rural community and used to support better schools, better homes, and a better standard of living. As it is at present, the huge sum paid out of the rural communities to persons living in urban communities as interest on farm mortgages makes it harder for rural communities to support good schools and easier for urban communities to do so.

4. The ownership of the farms of America is passing out of the hands of those who toil on them into the hands of those who live more and more largely in urban communities. The farmer on the land must pay to the absentee owner from one fourth to one half of what he produces each year. If the families that work these farms owned them, they could use the vast sum now paid out of the rural community as rent to support better schools, better homes, and a higher standard of living in the rural community. The farm that must support two families — the tenant's and the landlord's — has less with which to support the school than if it had to support but one family. The tremendous sum lost out of rural communities each year as rent paid to landlords living in urban communities makes it harder for rural communities to support good schools and easier for urban communities to do so.

More than half of each new crop is lost to the rural community. The proceeds from it must go to persons living in urban communities in the form of rent and interest on farm mortgages, to organized industries when the unorganized farmers exchange goods with these industries, and to pay the excess state and county tax required of farmers under the general-property tax. No wonder the rural communities are less able to pay for good schools than are the urban.

**Cost of good school more in rural than in urban communities.** Not only are rural communities less able than urban

to pay for good schools, but equally good schools cost more in rural than in urban communities. This makes the handicap on rural communities doubly heavy. Four of the chief reasons why equivalent schools cost more in rural than in urban communities are as follows:

1. *Expense of transportation.* In 1925 rural communities in the United States paid about $30,000,000 to transport their children to fourteen thousand consolidated schools. There are approximately forty thousand rural communities in the United States adapted to consolidation of schools. When all these schools are organized on a modern basis the annual bill for transportation will be much larger. The schools of urban communities, because of the proximity of the homes to the schoolhouses, are spared the cost of transportation.

2. *Excess number of children in the rural population.* The United States census for 1920 shows that children under ten years of age comprise 19 per cent of the urban population and 25.7 per cent of the farm population. There are about 2,100,000 more children under ten years of age to support and educate among the American farm population of 31,000,000 than among an equal urban population. In 1920 the average cost of educating a pupil for a year in the schools of the United States was $64.03 in the elementary schools and $158.21 in the high schools. It is estimated that the cost of educating the excess number of children in the rural population amounts to approximately $100,000,000 annually.

3. *Extra cost of securing a fair share of the best teachers for service in rural communities.* It costs more in rural communities to secure the services of the better-qualified and more competent teachers than it does in urban communities. The more backward the rural community and the less desirable the living conditions, the social privileges, and the professional opportunities, the more it will cost to attract and hold the more competent teachers. In Maryland, where desirable living conditions are to be had on paved roads at no great distance

from towns and cities, it is estimated that the more competent teachers can be attracted into service in the rural communities by a salary 10 per cent in excess of the salary paid in corresponding positions in the urban communities. In more backward and out-of-the-way rural communities it is estimated that the bonus necessary to attract the more competent teachers would run as high as 50 per cent.

4. *Extra cost per capita of schooling children in small groups.* It is generally known that educational facilities can be provided at a less cost per capita where a large number of children are gathered together than where the children are gathered in small groups. This difference appears particularly in connection with the support of small high schools, since the cost of providing well-prepared high-school teachers raises the per-capita cost very high where the classes are very small. In many rural communities transportation facilities are still so backward that it is not feasible to assemble a large group of high-school students. In these communities the per-capita cost of high-school education is high. In a study of comparative costs made at Iowa University [1] in 1921–1922 it was found that with an average enrollment of 60 pupils in the high schools studied, the per-capita cost of high-school education was $241 per year, whereas in a group of high schools with an average enrollment of 271 pupils the per-capita cost was but $125 per year. Although a part of the higher per-capita cost of high-school education in the smaller schools was due to other factors, a considerable proportion of it must be ascribed to the extra cost per capita of providing high-school facilities for small groups. Improvements in transportation will enable larger groups of pupils to be gathered together in rural communities, thus reducing somewhat the per-capita cost of high-school education.

It is estimated that equivalent schools cost about one fourth more in rural than in urban communities.

[1] T. C. Holy, *Journal of Rural Education*, March, 1924, p. 321.

**Some school districts with more taxable valuation per teacher[1] than others.** Recent investigations in many states show that in every state some school districts have much more taxable property per teacher than other districts. The four states listed below illustrate the situation:

| State | Low Taxable Valuation per Teacher | High Taxable Valuation per Teacher | Ratio of Low to High |
|---|---|---|---|
| Nebraska | $50,000 | $500,000 | 1:10 |
| New York | 50,000 | 900,000 | 1:18 |
| Wisconsin | 25,000 | 500,000 | 1:20 |
| Pennsylvania | 4,000 | 484,000 | 1:121 |

The casual visitor passing from school to school does not see that one school district contains within its boundaries much more taxable property per teacher than another district; the difference is not evident from the car window. Nevertheless, a difference often exists. It is a very important item, because schools are supported largely by a general-property tax levied on the taxable property located in the school district. The school district having a large taxable valuation per teacher can support its school easily, whereas the district having a small taxable valuation per teacher finds it very difficult to support a good school by means of the general-property tax levied in the district.

**Much higher school-tax rate paid by some school districts than by others.** It is obvious that where great differences in taxable valuation per teacher exist between school districts great differences will appear also in the school-tax rate paid in the various districts. The district having a high taxable valuation per teacher can support a good school with a low school-tax rate; the district having a low taxable valuation per

[1] The taxable valuation per teacher is found by dividing the total taxable valuation of the property in the school district by the number of teachers employed.

teacher is not always able to support a good school even with a high school-tax rate. The following table shows something of the variation in school-tax rates now found between different districts in the same state:

| State | Lowest School-Tax Rate | Highest School-Tax Rate | Ratio of Low to High |
|---|---|---|---|
| Indiana . . | 25 cents on $100 taxable valuation | 150 cents on $100 taxable valuation | 1 : 6 |
| Missouri . . | 20 cents on $100 taxable valuation | 250 cents on $100 taxable valuation | 1 : 12½ |
| Iowa . . . | 2 mills on $1 taxable valuation | 153 mills on $1 taxable valuation | 1 : 76½ |

Such glaring inequalities in school-tax rates between different school districts are now common in all states which have not worked out some device for equalizing school taxes. No farmer would hitch his horses to the plow without an equalizing device. He would not hitch them in so unjust a fashion that one horse must pull many times the burden allotted to another. The schools of a democracy cannot prosper under such inequality of support any more than a plow team can do its best work with some horses pulling ten or fifty or a hundred times as much as others.

**Some absentee landowners using their influence to reduce the support of schools in rural communities.** As we are dealing with human beings rather than with horses, we must not overlook the following very human element in the problem of equalizing school support. The drift of population from the country to the city has carried thousands of retired farmers into the towns and cities. While these farm families lived in the rural community they were the active supporters of the rural school. It was their school. Their children attended it. They desired to make it a good school. When the family moved to town and tried to live on the rent from the farm, they found that because of the high cost of living the rent was not

sufficient to meet their needs. They realized that they must find some means of reducing expenses. In many cases they sought to do this by cutting down the taxes paid to support the rural school out in the district where the farm was located.

These thousands of farm owners, who were the main support of the rural school when they lived in rural communities, now that they are living in town and find great difficulty in making both ends meet on their income from the farm, are reaching out from the towns and cities to strangle the financial support of the schools in the country. The same hand that once nurtured and supported the rural school is now in many cases attempting to strangle it to death.

A woman who was the leading spirit in supporting the country school when she lived in the district sold her farm and moved to town, taking a heavy mortgage against the farm. When it began to be difficult for the buyer of the farm to pay the interest on the mortgage, this good woman who had so actively supported the school turned squarely about and insisted that the taxes for the support of the school be reduced in order that the buyer of the farm might be able to pay the interest on the mortgage. This would not be so serious a situation if this were true of only one farm; but this farm woman is typical of thousands of farm owners who have sold their farms at a good figure, taking heavy mortgages upon them, and have moved into town to live on the income from the mortgages.

The great increase in mortgage indebtedness on the farms of the United States brought about by the great land boom of the war period is a millstone hung about the neck of the rural schools, which they will not be able to throw off in the present generation. These thousands of owners of farm mortgages living in towns and cities take out of the rural communities the money needed to support the schools; they reach out a hand to strangle the rural schools — a hand that is growing constantly heavier and is steadily tightening its grip.

The wise plowman equalizes the load between his horses. Are not men entitled to greater consideration than horses in matters of equalization? American democracy must set about finding a means to equalize the school-tax load.

**Summary of the major inequalities which must be corrected in order to equalize the support of schools.** 1. Unorganized farmers have less buying power than the highly organized industries with which they exchange products.

2. The general-property tax falls more heavily on farming than on other occupations.

3. Rural communities are less able to pay for equivalent schools than are the urban.

4. Equivalent schools cost more in rural than in urban communities.

5. Some school districts have more taxable valuation per teacher than others.

6. Some school districts are paying a much higher school-tax rate than others.

7. Some absentee landowners use their influence to reduce the support of schools in rural communities.

If educational opportunities are to be equalized for the children of America, and if the school-tax load is to be equitably distributed among all the people, some means must be found to meet each of the inequalities listed above.

If the schools of the rural communities are to be made equal to the task of preparing the farm people to play the great game of business successfully against the better-educated, better-organized, and better-led urban groups, some means must be found to equalize school support between rural and urban communities.

**Means of equalization.** Let us study each of the seven inequalities listed above and note the means which have been found to overcome each.

1. *Unorganized farmers have less buying power than the highly organized industries with which they exchange products.*

The most effective means known to overcome this inequality is coöperative commodity marketing of farm products, with the farm group as well educated, as well organized, and as well led as the groups with whom they play the great game of business.

2. *The general-property tax falls more heavily on farming than on other occupations.* The most effective way known to overcome this inequality is (1) to take a part of the support of state and county government off the general-property tax and (2) to raise this part by some form of taxation which falls on the various occupations in inverse ratio to the general-property tax.

For example, the general-property tax falls heavily on the farmer because his visible taxable property is large in proportion to his income; it falls lightly on the professional man because his visible taxable property is small in proportion to his income. The personal-income tax just reverses the situation: it falls heavily on the professional man who has a large income and lightly on the farmer who has a small income. By combining the two forms of taxation to raise the support for state and county governments a composite tax can be formed which will fall equitably on the different occupations, whether the ratio of taxable valuation to income be large or small. Three states (New York, Massachusetts, and Wisconsin) have begun to equalize taxation between the various occupations in the state by this means.

The personal-income tax collected by the state is now looked on by students of taxation as the most promising form of taxation to balance the inequalities of the general-property tax. By exempting small incomes, by making use of a graduated scale under which the larger incomes pay a higher percentage, by making proper allowance for the inherent difference between earned and unearned incomes, and by establishing a fair understanding with the Federal government in the matter of the state and the Federal tax on the same income, the personal-income tax may be made to serve the ends of justice in our

highly complex economic civilization better than any other form of taxation. It is generally agreed that, in case the personal-income tax is used to balance the general-property tax, the intangible property should be exempted from the property tax and make its return under the income tax.

ANALYSIS OF THE TAX LOAD OF THE AMERICAN PEOPLE

| THE TAX LOAD ON THE PEOPLE OF THE UNITED STATES | AMOUNT | PER CENT |
|---|---|---|
| Tax-raised funds for Federal purposes[1] | $3,204,133,000 | — |
| 1. Income and profits tax | — | 52.7 |
| 2. Miscellaneous internal revenues | — | 29.2 |
| 3. Customs duties | — | 17.5 |
| 4. Taxes on franchises, bank circulation, etc. | — | 0.5 |
| Tax-raised funds used for state, county, and local purposes[2] | 4,228,948,000 | — |
| 1. General-property tax | — | 78.7 |
| 2. Licenses and permits | — | 9.5 |
| 3. State income tax, inheritance tax, etc. | — | 6.1 |
| 4. Special assessment | — | 5.0 |
| 5. Poll taxes | — | 0.7 |
| Total tax load[3] | $7,433,081,000 | — |

Other forms of taxation which have the same general nature as the personal-income tax and may be used to balance the general-property tax are as follows:

*a. Estate taxes and inheritance taxes.* An estate tax is levied on estates of the deceased; an inheritance tax is levied on legacies at the time they pass to the one who receives the prop-

[1] Fiscal year ending June 30, 1923. These taxes are paid to Federal tax-collecting authorities centering in the United States Treasury.

[2] Fiscal year ending in calendar year 1922. These taxes are paid to county and state treasurers.

[3] The total of state and local taxes is constantly increasing; the total of Federal taxes is being slightly reduced. The estimates for 1926 are as follows: Federal, $2,750,000,000; state and local, $5,000,000,000.

erty by inheritance. Exemptions of small estates or inheritances, a graduated tax, and an understanding between the state and the Federal government in case they both levy taxes are desirable in the use of these forms of taxation.

*b. The corporation tax.* This tax is levied by the state on the income of artificial persons — the corporations doing business within the state.

*c. Severance taxes.* The severance tax is a tax levied on all nonagricultural products when they are severed from the soil. Crude oil, minerals, and standing timber are among the natural products effectively reached by this form of taxation.

A combination of the other forms of taxation listed above will effectively balance the inequalities in the general-property tax. The National Tax Association[1] recommends this.

3. *Rural communities are less able to pay for equivalent schools than are the urban.* In order to correct this situation the personal-income tax or similar taxes must be coupled with the general-property tax in such a manner that farmers will not be called on to pay more than their fair share of state and county taxes. Coöperative marketing of farm products must be organized to bring the bargaining power of the farmers up on a parity with the bargaining power of other industries. Landless farmers must be converted into landowners in order that the earnings of the farm may remain on the farm to support rural life.

The state can do much to equalize school support between rural and urban communities by raising 30 or 40 per cent of the cost of the schools by a state income tax, a state corporation tax, a state severance tax, or a combination of these, and dis-

[1] See "Model Plan for State and Local Taxation." Committee making report: Samuel Lord, Minnesota Tax Commission; Thomas S. Adams, Yale University; Celsus P. Link, Colorado Tax Commission; Samuel T. Howe, Kansas Tax Commission; A. C. Rearick, attorney, New York City; W. L. Tarbet, Illinois Central Railroads; Charles V. Galloway, Oregon Tax Commission; Thomas W. Page, University of Virginia; Charles J. Bullock, Harvard University, chairman.

tributing this fund to the schools by paying a fixed sum toward the salary of each teacher employed in the schools of the state. There is much hope that by combining other forms of taxation with the general-property tax, by making use of coöperative marketing, by increasing ownership farming, and by making use of a properly raised and properly distributed state school fund, rural communities can be made fully as able to pay for good schools as are urban communities.

4. *Equivalent schools cost more in rural than in urban communities.* Better roads will reduce somewhat the cost of transporting children to school in the rural communities; better roads will also make it possible to gather larger groups of children together in the modern farm-life schools, thus reducing the excessive per-capita cost of instruction. The larger, better-organized farm-life schools made possible by better roads will make teaching in the rural community more attractive, and a smaller bonus will have to be paid to secure a fair share of the most competent teachers. It seems probable that there will continue to be a greater number of children per thousand of population to educate in rural communities than there are in urban communities. After good roads and larger farm-life schools have contributed all that they can to equalize the cost of equivalent schools between urban and rural communities, good schools will continue to cost more in the rural communities. This extra cost to the rural community may be very materially lessened by paying the cost of transportation out of a state fund raised by means of income, corporation, or severance taxes or a combination of these with the general-property tax. In Pennsylvania the cost of transportation is now paid out of a fund raised by a state-wide tax.

5. *Some school districts have more taxable property per teacher than others.* The inequalities between school districts in taxable valuation per teacher may be corrected in several different ways. Perhaps this is accomplished most efficiently by the use of a state equalization fund. The fund is raised by state-wide

taxation and is apportioned to the different school districts in inverse ratio to their taxable valuation per teacher. The state equalization fund should be raised by an income tax or a tax of similar nature; if it is raised by the general-property tax, it works an injustice on the farmers. Massachusetts raises her state school fund by a state income tax; California, by a corporation tax. Massachusetts distributes the state fund to the various districts largely on the inverse ratio of taxable valuation per teacher; California does it by paying half the minimum salary ($1400) of each elementary teacher and a portion of the salary of each high-school teacher employed in the state. The fund raised by the state of Massachusetts for school support amounts to about 12 per cent of the total cost of the schools; in California about 33 per cent of the cost of the schools is raised through the state tax.

6. *Some school districts are paying a much higher school-tax rate than others.* The differences in school-tax rates are largely brought about by the fact that some school districts have more taxable valuation per teacher than others. Equalizing the differences in taxable valuation per teacher as described above will to a considerable extent bring about equalization in the school-tax rate. Some of the inequalities in the school-tax rate are caused by inequalities in the school facilities furnished. One district provides good teachers, good supervision, a good building, long terms, and a twelve-year course. The school-tax rate is high. Another district provides poor teachers, little supervision, a poor schoolhouse, short terms, and only a seven-year, an eight-year, or a ten-year course. The school-tax rate is low. To correct this situation aid from the state school fund may be given in direct ratio to the quality of the school maintained. The district that conducts a poor school is penalized by the loss of state aid; the district that supports a good school is rewarded by an increased apportionment.

7. *Some absentee landowners use their influence to reduce the support of schools in rural communities.* This situation may be

corrected by increasing ownership farming and by a campaign of enlightenment among absentee landowners. When they come to understand that better education is necessary for better organization, and that better organization is necessary to increase the buying power of the farm, there is hope that absentee landlords will contribute more willingly to the support of schools in rural communities. When they understand the advantage to themselves of training the farm youth to play the great game of business more successfully against the better-educated, better-organized, and better-led groups in the other great industries, it is reasonable to suppose that they will use their influence to increase rather than to diminish the support of schools in rural communities.

**Providing adequate support for the schools of rural communities.** If the youth of the farm are to be prepared through better education and better organization to play the game of business successfully against the better-educated, better-organized, and better-led urban groups, they must have adequate schools. They cannot have adequate schools unless these schools have adequate support. To provide adequate support for the schools in rural communities it will be necessary to accomplish the following:

1. Raise the buying power of the farm to a parity with the buying power of the other great industries by means of cooperative marketing.

2. Equalize state and county taxes by combining with the general-property tax other forms of taxation, such as the personal-income tax, the inheritance tax, the corporation tax, and the severance tax.

3. Turn landless farmers into landowners by using the land bank to provide suitable loans for the purchase of land and by using coöperative marketing to bring back to the farm profit enough to pay gradually for the land.

4. Reduce the cost of farm-life schools by developing better roads and paying the cost of transportation out of a state fund.

5. Equalize between school districts having great differences in taxable valuation per teacher by means of a state equalization fund raised by some form of taxation other than the general-property tax and distributed to the various districts in inverse ratio to the taxable property per teacher in each.

6. Compensate school districts which levy a high school-tax rate on themselves to support schools of high quality by distributing a portion of the state school fund as a reward for high quality in schools secured by the effort represented by a high school-tax rate.

7. Conduct campaigns of enlightenment to show the people why the schools of rural communities must have adequate support if the people of rural communities are to be sufficiently well educated and sufficiently well organized to play the great game of business successfully against their better-educated, better-organized, and better-led opponents in the urban communities.

8. Equalize school support between rural and urban communities by raising 30 or 40 per cent of the cost of the schools by means of the income tax or the corporation tax and distributing this to the districts by paying an equal sum on the salary of each teacher employed in the state.

**The Massachusetts plan.** The state of Massachusetts, by more than fifteen years of trial and experiment and judicious change in her laws as experience revealed the better way, has incorporated into her plan of school support a number of the principles stated above. This plan is briefly outlined:

1. A state equalization fund (amounting to about 12 per cent of the cost of the schools) is raised by a state tax on personal incomes.

2. This state fund is distributed to the various school districts by a plan which includes the following:

*a.* Differences in taxable valuation per teacher are equalized by apportioning state funds in indirect ratio to taxable valuation per teacher.

*b*. The effort to provide high-quality schools by levying a high school-tax rate in the district is rewarded by increased apportionment.

*c*. Success in providing high-quality schools, as shown by the number of years of work, the number of months in the year, and the qualifications of teachers and supervising officers, is rewarded by increased apportionment.

*d*. The repayment plan is followed: state school funds are given only in repayment for an outlay previously made by the school district.

**The California plan.** In brief the California plan includes the following principles:

1. A state school fund (amounting to approximately one third of the cost of the schools of the state) is raised by a state tax on corporations.

2. This state school fund is distributed to the various school districts by a plan which includes the following:

*a*. Half the minimum salary ($1400) of each elementary teacher in the state is paid from this fund.

*b*. A portion of the salary of each high-school teacher employed in the state is also paid from this fund.

We should note that in addition to this state-tax plan for equalizing school facilities and school taxes the farmers of California make larger use of coöperative marketing to increase the buying power of agriculture than is made by the farmers of any other state.

Recently the writer walked into the beautiful courthouse in one of the larger agricultural counties of California. He said to the director of agriculture, "Do the farmers of this county make any use of coöperative marketing?" The director replied: "Seven commodities produced in this county are organized for coöperative marketing. We have coöperative marketing of oranges, of prunes and apricots, of raisins, of cotton, of poultry products, of cattle, and of hogs." Inquiries concerning the schools directed to the county superintendent

brought this reply: "No rural teacher in this county receives less than $1500 per year. The teachers in our thriving consolidated schools receive more. The schools of our rural communities are as able to employ good teachers and they are building as improved modern school buildings as are the schools of our towns and cities. About one third of the cost

MARKING CATTLE FOR SHIPMENT BY A FARMERS' COÖPERATIVE ASSOCIATION

From Mears and Tobriner's "Principles and Practices of Coöperative Marketing"

of the schools in our rural communities is received from the state school fund, which is raised by a tax on corporations, and the remaining two thirds is paid by our farmers, who are good business men."

The contrast between the schools in the rural communities of California, where a state plan of equalizing school facilities and school support is in operation, and the schools in the rural communities of many other states which have put no such plan into operation is very striking at present. The schools in the

rural communities of many other states instead of paying a minimum salary of $1400 or $1500 a year are paying a minimum salary of less than $500. Instead of continuing the building of modern schoolhouses at the same rate at which it is done in the cities, the people of many rural communities have come

CALIFORNIA SUNKIST ORANGES AND LEMONS ON DISPLAY IN A NEW YORK FRUIT AUCTION

California farmers sell their products so effectively through their coöperative associations that they are able to give their rural schools the best support which any rural schools in the United States receive. (From Mears and Tobriner's "Principles and Practices of Coöperative Marketing")

to a standstill in their building program. California furnishes an excellent example of the better support of schools in rural communities which is made possible through coöperative marketing of farm products and a state-equalized system of school support.

**Equalizing by means of the enlarged district.** By enlarging the local school district to include a number of adjacent small

districts the differences in school-tax rates and the difference in school facilities which formerly existed among the small districts are effectually equalized. They become uniform throughout the enlarged district.

Two types of enlarged school districts are gaining favor in the United States. These are as follows:

1. *The consolidated school district.* The consolidated school district joins together adjacent school districts to a maximum of eighteen or twenty, its size being limited by the possibilities of transportation. The new school district has the same school-tax rate throughout and offers the same school opportunities to all the children living in the enlarged district. The consolidated school district has been adopted in all forty-eight states. It provides the best-known means of organizing and developing the modern farm-life school such as is described in Chapter XVI.

2. *The county unit.* Where the county is not too large or too diversified, all the school districts of the county, with the exception of urban districts, can to good advantage be reorganized into one county-wide district administered by one school board and having one school-tax rate throughout. Differences in taxable valuation per teacher are thus effectually equalized throughout the county. The educational opportunities will be as nearly equal throughout the county school district as the county school board is able to make them. The county-unit plan makes it easier to organize and support modern farm-life schools. It has now been adopted in some form in twenty-three states. Effective examples are found in Maryland, Utah, Alabama, and Louisiana. Among states making a large increase recently in the amount of school support provided by means of the county-wide taxing unit are Oregon, Ohio, Nevada, Mississippi, and North Carolina. The county-unit plan of school organization provides the most effective setting in which to develop modern farm-life schools that will be fully adequate to the task of preparing farm youth to

play the game effectively against their better-educated, better organized, and better-led opponents in the urban communities.

**Complete state support not desirable.** Experience has shown that it is not desirable to support the public schools entirely from state sources. Connecticut tried this plan, and found that when the people are relieved of all direct responsibility for the support of the schools they lose their local pride in their schools and become indifferent to their success. Under these conditions the schools gradually lapse into a condition of stagnation.

**School buildings paid for by the local community.** Experience indicates that school buildings, grounds, and equipment should be provided largely by a tax on the tangible property within the local school district and that funds from the state should go chiefly to teachers' salaries. Under this plan any extravagance in building is paid for mainly by the community that erects the building and enjoys it as a community asset.

**Equalization on a national basis.** The plan outlined above does not effectually reach the inequalities in school support between states that have large differences in per-capita wealth, nor does it fully reach the inequalities in school support between *urban* and *rural* communities. There is a growing demand in some sections of the United States for Federal aid for education. This is a problem which concerns the whole people. The economic life of the American people is national in scope and is not limited by state lines. Big business crosses state lines. Any tax on big business for the support of schools, to be equitable, must cross state boundaries. Big business should not object to giving assistance toward the support of the schools. Better education for all the people means more prosperity for all.

**Steps toward Federal aid.** The American people have already taken several steps in the direction of national aid to the schools of rural communities, as follows:

1. In 1785 Congress passed an ordinance providing that "there shall be reserved the lot No. 16 of every township for the maintenance of public schools within said township."

The public schools of Ohio (admitted to the Union in 1803) were the first schools to benefit by the grant of section 16 in each township. The schools of eleven other states later received this grant, which proved to be of much assistance to them.

2. In 1848 Congress made provisions for granting section 36 in addition to section 16 for the support of schools. The schools of California (admitted to the Union in 1850) were the first schools to receive the grant of both sections. The schools of fifteen other states later benefited in like manner. A number of states also received from the Federal government for the support of schools a percentage of the proceeds of the sale of public lands, which gave a considerable sum.

| | | | | | |
|---|---|---|---|---|---|
| 6 | 5 | 4 | 3 | 2 | 1 |
| 7 | 8 | 9 | 10 | 11 | 12 |
| 18 | 17 | 16 | 15 | 14 | 13 |
| 19 | 20 | 21 | 22 | 23 | 24 |
| 30 | 29 | 28 | 27 | 26 | 25 |
| 31 | 32 | 33 | 34 | 35 | 36 |

A CONGRESSIONAL TOWNSHIP

3. The Morrill Act, passed by Congress in 1862, resulted in the granting of 11,367,832 acres of public lands (an area half as large as Indiana) to endow agricultural colleges in the various states. The sums of $30,000 per year to each state to maintain agricultural experiment stations and $50,000 annually to each state to help toward the maintenance of the agricultural colleges are also appropriated by the Federal government.

4. In 1914 Congress passed the Smith-Lever Act granting Federal funds to extend education in agriculture and in homemaking among the people. The amount provided under this act amounted in 1922 to more than $5,000,000 annually.

5. The Smith-Hughes Act, passed by Congress in 1917, appropriates Federal funds, amounting after 1926 to $7,367,000

annually, for the extension of vocational education in the public schools and for the training of teachers for these schools.

The next logical step, many contend, is Federal aid to equalize school facilities for the children of the nation and to equalize the school-tax load among the American people.

COTTON ASSEMBLED FOR SHIPMENT AT CALEXICO, CALIFORNIA

From Mears and Tobriner's "Principles and Practices of Coöperative Marketing"

**The responsibility of wealth.** President Kenyon L. Butterfield of Michigan Agricultural College has recently said:

Unless we take thought, this educational discrimination against country youth will increase. The city, rich as it is, is forced to spend so much upon its own schools that it becomes more and more disinclined to help support equally good schools in the less wealthy communities. Yet that is just what it must do. The whole wealth of the state must contribute to furnish equivalent educational facil-

ities for all the youth of the state. Educationally, both the child of Fifth Avenue and the son of Podunk must be given their chance — or else we must surrender the very citadels of democracy. And there is no escape from the duty of Fifth Avenue to help Podunk!

**America financially able.** The American people have the financial power, *when it is rightly harnessed to the task*, to educate properly both the children of the urban communities and the children of the rural communities. Dr. E. R. A. Seligman, national authority in economics, says:

> While it is true that the educational budget has increased more rapidly than the population, it is not true that it has increased more rapidly than the wealth of the community. On the contrary, it may be affirmed with little fear of contradiction that, from the economist's point of view, the growth of prosperity in the United States as a whole has been so enormous as to make the proportion of educational expenditures to real wealth of the community actually smaller than it was in past decades.

*We must take this wealth from where it is and use it to educate the children where they are.*

Rural life today is at the crossroads. It has reached a critical period. Either the farm group must learn to coöperate successfully or they must go down into economic servitude. The hope of rural America lies in the education of its youth. Better education and better organization are the only hope of saving American life from peasantry, which many students of history declare to be the inevitable end of every agricultural people. If the American farm people are permitted to descend into peasantry they will eventually pull down the nation after them. This, too, is the warning of history. The hour is struck! Which way rural life?

# APPENDIX

## COMMITTEE ON THE TEACHING OF COÖPERATIVE MARKETING IN THE PUBLIC SCHOOLS, APPOINTED BY THE DEPARTMENT OF RURAL EDUCATION OF THE NATIONAL ASSOCIATION

GROUP I. F. O. Lowden, chairman, Sinissippi Farm, Oregon, Illinois; Aaron Sapiro, attorney, Coöperative Marketing Organizations, Straus Building, Chicago; L. Christensen, expert on coöperative marketing, United States Department of Agriculture; Frank Evans, general marketing counsel and secretary, American Farm Bureau Federation, Chicago; President Kenyon L. Butterfield, State Agricultural College, Lansing, Michigan; Dr. E. W. Kilgore, president of American Cotton Growers' Exchange, Raleigh, North Carolina; B. Y. Landis, Federal Council of Churches, New York City; Carl Williams, editor, *Oklahoma Farmer Stockman*, Oklahoma City; Dr. E. G. Nourse, chief of agricultural division, Institute of Economics, Washington, D. C.; Charles E. Hearst, president of Iowa Farm Bureau Federation, Des Moines, Iowa; Miss Verna Elsinger, director of community organization, Burley Tobacco Growers' Coöperative Association, Lexington, Kentucky; Frank Swett, president of Pear Growers' Association, San Francisco, California; E. C. Branson, professor of rural social economics, University of North Carolina, Chapel Hill; L. F. McKay, field service and public relations, American Cotton Growers' Exchange, Memphis, Tennessee; Dr. Theodore Macklin, marketing expert, University of Wisconsin, Madison, Wisconsin; Judge R. W. Bingham, Burley Tobacco Growers' Coöperative Association, Louisville, Kentucky; Dan A. Wallace, *The Farmer*, St. Paul, Minnesota; George E. Farrand, counsel for California Fruit Growers, California Walnut Growers' Association, and California Milk Producers' Association, Los Angeles; Louis Tabor, master of National Grange, Columbus, Ohio; Richard Pattee, managing director of the New England Dairy System and of the American Institute of Coöperation, 51 Cornhill, Boston; Porter R. Taylor, director of markets for the Commonwealth of Pennsylvania, and former president of Association of State Marketing Officials, Harrisburg; Commissioner N. J. Holmberg, Department of Agriculture, St. Paul, Minnesota; John A. Simpson, president of Oklahoma Farmers' Union, Oklahoma City; Walton Petett, secretary of National Council for Farmers' Coöperative Marketing Association, 1133 Investment Building, Washing-

ton, D. C.; Mr. C. H. Tuck, Dairymen's League, New York City; Macy Campbell, Cedar Falls, Iowa, executive secretary.

GROUP II. Mabel Carney, rural education, Teachers College, Columbia University, New York; Mrs. F. C. Beverley, principal of Whitmell Farm-Life School, Whitmell, Virginia; Lee L. Driver, director of rural education, State Department of Public Instruction, Harrisburg, Pennsylvania; C. G. Sargent, director of rural and vocational education, State Agricultural College, Fort Collins, Colorado; Will C. Wood, state superintendent of public instruction, Sacramento, California; Mrs. Kathryn Cook, United States Bureau of Education, Washington, D. C.; A. L. Winterquist, superintendent of consolidated schools, Cloquet, Minnesota; Gilbert Willey, graduate student, University of Wisconsin, Madison, Wisconsin; Dr. C. E. Myers, Pennsylvania State College, State College, Pennsylvania; Professor J. L. Hypes, State Agricultural College, Storrs, Connecticut; Charles J. Booth, expert in coöperative marketing, Chaffey Junior College, Ontario, California; Macy Campbell, head of department of rural education, Iowa State Teachers College, Cedar Falls, Iowa; Honorable John W. Abercrombie, state superintendent of public instruction, Montgomery, Alabama; John R. Hutchison, director of extension, Virginia Polytechnic Institute, Blacksburg, Virginia; Dean Edward C. Johnson, State College, Pullman, Washington; Francis W. Shepardson, 5234 Dorchester Avenue, Chicago; Dr. M. S. Pittman, head of department of rural education, Michigan State Normal College, Ypsilanti, Michigan; Miss Florence Hale, state agent for rural schools, department of public instruction, Augusta, Maine; Dr. J. R. Grant, president of Arkansas Polytechnic College, Russellville, Arkansas; Dr. O. G. Brim, Ohio State University, Columbus, Ohio; K. C. Davis, professor of agricultural education, Peabody College, Nashville, Tennessee; Dr. J. E. Butterworth, Cornell University, Ithaca, New York; Allan Hulsizer, director of rural education, State Normal School, Towson, Maryland; Dr. G. A. Works, professor of rural education, Cornell University, Ithaca, New York; Dr. W. I. Myers, professor of agricultural economics and farm management, Cornell University.

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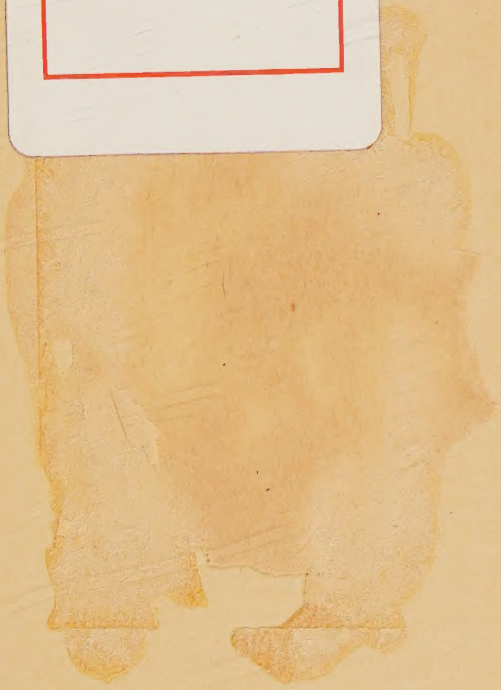

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